

BUDGETING, ACCOUNTING AND REPORTING SYSTEM (BARS)

For

For Unclassified Port Districts



Washington
State Auditor
Brian Sonntag

UNCLASSIFIED PORT DISTRICTS

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CONTRIBUTORS

This manual was developed through the dedicated efforts of the State Auditor's Office and the Port District Manual Revision Committee (1990-91) which was formed through the Washington Public Ports Association (WPPA) Finance Committee. Its membership at that time consisted of the following people:

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Finally, special credit and recognition is made of Marge Garrison, Port of Seattle.

INTRODUCTION

The chart of accounts and procedures contained in this manual must be used by local governmental units as prescribed by the State Auditor's Office (RCW 43.09.200).

Districts are categorized into two groups as follows:

Classified - Districts having \$2,000,000 or more in combined annual gross operating revenues. These entities are required to prepare financial statements in conformity with generally accepted accounting principles (GAAP). The prescriptions in the Classified Port Districts BARS manual satisfy this requirement.

Unclassified - Districts having less than \$2,000,000 in combined annual gross operating revenues. Entities in this classification may follow single-entry accounting and cash-basis reporting procedures which are not intended to reflect financial condition and results of operations in conformance with GAAP. These entities may use the Unclassified Port Districts BARS manual.

The BARS accounting procedures consist of prescribed rules for handling financial transactions that have general application for Washington municipalities. They are not intended to deal with all situations or circumstances and must be supplemented from a variety of other sources:

1. Subsystems and other prescribed systems of accounts.
2. Statutes, regulations, and local rules.

DESIGN AND PRESCRIPTION

Applicability

The *Budgeting, Accounting and Reporting System* (BARS) must provide a complete record of financial transactions to ease preparation of the prescribed financial reports.

The following policies will govern the application of this accounting system by proprietary districts with gross annual operating revenue less than \$2,000,000:

1. Single-entry accounting will be employed. This method consists of a listing and classification of cash transactions without the formality of double-entry accounting. For that reason, it is not in compliance with generally accepted accounting principles (GAAP). However, single-entry accounting as permitted in this manual requires full compliance with all legal requirements.
2. Revenues and expenses will be classified according to operation using the prescribed chart of accounts.
3. The prescribed chart of accounts must be used for detail reporting of revenues and expenses. If a different system of numbers is used for internal accounting, it must contain equivalent detail throughout the budgeting, accounting, and reporting processes. It is permissible to add more detailed accounting for control and reporting purposes.
4. Unclassified port districts may use the classified port district methods of accounting and reporting.

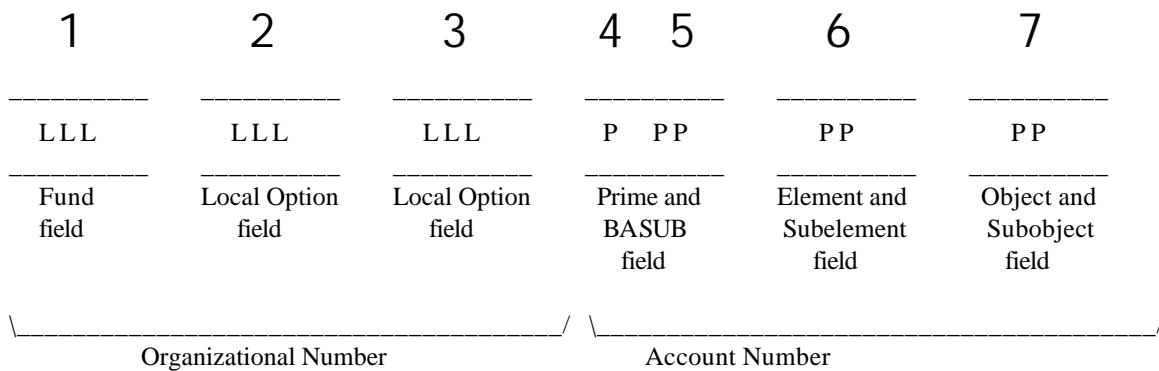
DESIGN AND PRESCRIPTION

Account Code Structure

In the BARS structure a sixteen (16) digit code accommodates the various transactions. Of these 16 digits, 7 digits are fully reserved for the Account Number, which means that if you decide to use unassigned portions of this field for local purposes, you should be aware that additional account coding may be prescribed in the future which will supplant your local applications.

In addition to this seven digit Account Number, the Organizational Number includes a field of three digits which is reserved for the fund code, three digits for the local option code, and another three digits for more of the local option code, for a total code structure of 16 digits. The particular codes in the fund, local option fields are available for each local government to use as they consider necessary.

The account structure is designed to provide for complete identification of each transaction.



P = Specific coding is prescribed in the BARS manual.

L = The fields are established in the BARS manual, but specific numbers are assigned by each municipal corporation.

The first part of the account code is an ORGANIZATIONAL NUMBER indicating:

	<u>Digits</u>
Fund	xxx
Local Option	xxx
Local Option	xxx

The second part of the account code is the ACCOUNT NUMBER, consisting of:

	<u>Digits</u>
Prime Digit	x
Basic/Subaccount (BASUB)	xx
Element/Subelement	xx
Object/Subobject	xx

DESIGN AND PRESCRIPTION

- 1 **FUND CODE** - Used to identify separate funds created and maintained for a particular purpose and having transactions subject to legal or administrative restrictions.
- 2 **LOCAL OPTION CODE** – Numbers are determined by each district. They may be used to identify a group of interdependent, closely related activities contributing to a common objective or group of allied objectives. If used, they must have three digits, so “1 should be “001”.
- 3 **LOCAL OPTION CODE** - Numbers are also determined locally. They may be used to identify distinct departments of the government. Also, it may be used in grant accounting to sequence grants from a single source. If used, it must have three digits; i.e., department “1” or “23” should be “001” or “023”.
- 4 **PRIME DIGIT** - The first figure in the seven digit Account Number used to identify the type of transaction.
 - 1 (One) denotes an asset account. *(Not applicable to unclassified port districts.)*
 - 2 (Two) denotes a liability or net assets (fund equity) account. *(Not applicable to unclassified port districts.)*
 - 6 (Six) denotes a port district revenue account.
 - 7 (Seven) denotes a port district expense account.
 - 3 (Three), 8 (Eight) and 9 (Nine) are not being used as prime digits.
- 5 **BASIC/SUB (BASUB) CODES**
 - Revenue - The numbers assigned to identify the general types of revenues related to the different operations.
 - Expense - The numbers assigned to identify the general types of expenses related to the different operations.
- 6 **ELEMENT/SUBELEMENT CODES**
 - Revenue - The numbers assigned to further identify specific types of revenues within a particular Basic/Sub category.
 - Expense - The numbers assigned to further identify specific types of expenses related to the particular Basic/Sub category.
- 7 **OBJECT/SUBOBJECT**
 - Revenue - Generally, the numbers have not been defined, and are available for the additional coding by the entity. However, as the BARS manual is updated, it may be necessary to define these codes.
 - Expense – Generally, the numbers have not been defined, and are available for the additional coding by the entity. However, as the BARS manual is updated, it may be necessary to define these codes.

DESIGN AND PRESCRIPTION

MINIMUM LEVELS FOR REPORTING EXPENSES AND REVENUES

The following chart summarizes the amount of detail required.

<u>Item Description</u>	<u>Example</u>	<u>Expenses</u>
Fund	401	Optional
Local Option	000	Optional
Local Option	000	Optional
Prime Digit	<u>7</u> 00	X
Basic Account	7 <u>1</u> 0	X
Subaccount	71 <u>1</u>	X
Element	711. <u>2</u> 0	X
Subelement	711.2 <u>3</u>	X
Object	711.23. <u>0</u>	Optional ^{1/}
Subobject	711.23.0 <u>0</u>	Optional ^{1/}

<u>Item Description</u>	<u>Example</u>	<u>Revenues</u>
Fund	401	Optional
Local Option	000	Optional
Local Option	000	Optional
Prime Digit	<u>6</u> 00	X
Basic Account	6 <u>3</u> 0	X
Subaccount	63 <u>1</u>	X
Element	631. <u>8</u> 0	X
Subelement	631.8 <u>1</u>	Optional ^{1/}
Object	631.81. <u>0</u>	Optional ^{1/}
Subobject	631.81.0 <u>0</u>	Optional ^{1/}

^{1/} Except when specifically prescribed in the BARS manual.

DESIGN AND PRESCRIPTION

Revenue Account Coding - EXAMPLE

Account codes are derived from the chart of accounts by selecting a series of numbers which describe a transaction. For example, assume that the port furnished electricity to users of the marine terminal premises. The following steps show the procedure used to classify this information:

Step 1: Select a basic account which describes the source of the revenue.
(See Part 1, Chapter 5, REVENUE ACCOUNTS)

610.00	AIRPORT
620.00	MARINA
<u>630.00</u>	<u>MARINE TERMINAL</u>
640.00	LOCAL OPTION
650.00	LOCAL OPTION
660.00	PROPERTY LEASE/RENTAL
670.00	LOCAL OPTION
680.00	GENERAL AND ADMINISTRATIVE
690.00	NONOPERATING

Step 2: From the subaccounts shown under the basic account select the one which describes the type of charge.

630.00	MARINE TERMINAL
<u>631.00</u>	<u>USER CHARGES</u>
632.00	USER CHARGES
633.00	OPERATING GRANTS
634.00	REAL PROPERTY RENTALS - LAND
635.00	REAL PROPERTY RENTALS - FACILITIES
636.00	REAL PROPERTY RENTALS - FACILITIES
637.00	PERSONAL PROPERTY RENTALS WITH PORT OPERATOR
638.00	PERSONAL PROPERTY RENTALS WITHOUT PORT OPERATOR
639.00	OTHER

DESIGN AND PRESCRIPTION

Revenue Account Coding (cont.)

Step 3: From the elements shown under the subaccount, 631.00 selected in Step 2, select the revenue element which describes the service rendered.

631.10	DOCKAGE
631.20	WHARFAGE
631.30	SERVICE AND FACILITIES
631.40	STORAGE
631.50	LOADING AND UNLOADING
631.60	HANDLING
631.70	LABOR
631.80	UTILITIES
631.90	RESERVED

Step 4: From the subelements shown under the elements, 631.80 selected in Step 3, select the revenue subelement which defines the service rendered.

631.81	WATER
631.82	ELECTRICITY
631.83	SEWER
631.84	STEAM
631.85	SURFACE WATER TAX
631.86	GARBAGE COLLECTION
631.87	NATURAL GAS/PROPANE/OIL
631.88	TELECOMMUNICATIONS
631.89	OTHER

The proper account number is 631.82.

DESIGN AND PRESCRIPTION

Expense Account Coding - EXAMPLE

A similar procedure is used to classify expenses. For example, assume that the information to be classified is the regular salaries of employees for services rendered in connection with marine terminal operations. The following steps show the procedures used to locate the proper account number.

Step 1: Select the basic account which describes the use of the expense.
(See Part 1, Chapter 6, EXPENSE ACCOUNTS)

710.00	AIRPORT
720.00	MARINA
730.00	MARINE TERMINAL
740.00	LOCAL OPTION
750.00	LOCAL OPTION
760.00	PROPERTY LEASE/RENTAL
770.00	OTHER
780.00	GENERAL AND ADMINISTRATIVE (UNALLOCATED)
790.00	NONOPERATING

Step 2: Select a subaccount which describes the type of activity.

730.00	MARINE TERMINAL
731.00	OPERATIONS
732.00	
733.00	MAINTENANCE
734.00	
735.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
736.00	
737.00	DEPRECIATION
738.00	
739.00	OTHER

DESIGN AND PRESCRIPTION

Expense Account Coding (cont.)

Step 3: Select the element which classifies the activity function being performed.

731.00	OPERATIONS
731.10	SALARIES/LABOR
731.20	BENEFITS
731.30	OUTSIDE SERVICES
731.40	SUPPLIES
731.50	EQUIPMENT RENTALS
731.60	FACILITY RENTALS
731.70	GENERAL AND ADMINISTRATIVE (DIRECT)
731.80	UTILITIES
731.90	OTHER

Step 4: Select the subelement which describes the purpose of the expense.

731.10	SALARIES/LABOR
731.11	REGULAR (STRAIGHT-PAY)
731.12	OVERTIME

The proper account number is 731.11.

BARS UNIFORM CHART OF ACCOUNTS
GENERAL LEDGER

This chapter contains the statement of net assets (or balance sheet) accounts used in double-entry accounting required of classified port districts. The chapter is not applicable to unclassified port districts which use a cash book, investment ledger, bond register, and receivables ledgers to control the assets and liabilities they are responsible for.

<u>EFF DATE</u>	<u>SUPERSEDES</u>
1/1/03	1/1/96

<u>BARS MANUAL:</u>	<u>VOL</u>	<u>PT</u>	<u>CH</u>	<u>PAGE</u>
UNCLASSIFIED PORTS	1	1	2	1

BARS UNIFORM CHART OF ACCOUNTS
CAPITAL ASSET ACCOUNTS

This chapter contains the statement of net assets (or balance sheet) asset accounts, which provide supplemental detail for the general ledger accounts in Chapter 2, used in double-entry accounting required of classified port districts. The chapter is not applicable to unclassified port districts which use inventory records to control the capital assets they are responsible for.

<u>EFF DATE</u>	<u>SUPERSEDES</u>
1/1/03	1/1/96

<u>BARS MANUAL:</u>	<u>VOL</u>	<u>PT</u>	<u>CH</u>	<u>PAGE</u>
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To be used in the element, subelement, object and subobject fields

The coding procedures in this section apply to all federal and state grant moneys. They apply whether such arrangements are called *awards, grants, block grants, subsidies, programs, cost reimbursements, contracts, agreements* or *loans*.

Federal Grants

If a local government receives a grant from a federal source not included in the following listing, you should consult the most current edition of the catalog for proper coding following the strategy described herein.

Grants from all federal agencies except the Department of Health and Human Services will be coded using the first3 digits of the number assigned that program in the Catalog of Federal Domestic Assistance (CFDA).

BARS CODE 6 9 3. **2 0. 1** X

1. Revenue _____

2-3. Operating Grant _____

4. First three _____

5. digits of the _____

6. CFDA number _____

7. For local use (see below) _____

If more than one grant with the same CFDA number is received, use the seventh digit (shown by “X”) to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

To be used in the element, subelement, object and subobject fields

Grants from the federal Department of Health and Human Services (DHHS) will be coded using the last three digits of the Catalog of Federal Domestic Assistance number preceded by a “9”. The catalog number of all DHHS grants begins with 93. Since there are numerous DHHS grants to distinguish and since the BARS structure is limited to seven digits, we substituted the first digit number 9 for the 93.

BARS CODE 6 9 3. 9 2. 6 2

1. Revenue _____

2-3. Operating Grant _____

4. Dept. of Health &
Human Services (DHHS) _____

5. Last three _____

6. digits of the _____

7. CFDA number _____

Example: Port district receives a state grant from the Department of Transportation for its airport operations.
The BARS code for the grant is 693.03.6X.

BARS CODE		6	9	3	0	3	6	X
1.	Revenue							
2-3.	Operating Grant							
4.	BARS Grant							
5.	Code							
6.	Listing							
7.	For local use (see below)							

If more than one grant is received from the “same agency,” use the seventh digit (shown by “X”) to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

GRANT SOURCE CODES

To be used in the element, subelement, object and subobject fields

STATE AGENCIES

00.1X	Legislature and its Committees	03.1X	Department of Ecology
00.2X	Office of the Governor	03.2X	Other Environmental Agencies
00.3X	Secretary of State	03.3X	Conservation Commission
00.4X	Office of Financial Management	03.5X	Traffic Safety Commission
00.5X	Department of Personnel	03.6X	Department of Transportation
00.6X	Department of Retirement Systems	03.7X	County Road Administration Board
00.7X	Department of General Administration	03.8X	Transportation Improvement Board
00.8X	Department of Licensing	03.9X	Other Transportation Agencies
00.9X	Department of Revenue		
01.0X	Office of Attorney General	04.2X	Department of Community, Trade and Economic Development
01.1X	Criminal Justice Training Commission	04.3X	Human Rights Commission
01.2X	Other Judicial Agencies	04.5X	Department of Veterans Affairs
01.3X	State Patrol	04.6X	Department of Social and Health Services
01.4X	Gambling Commission	04.7X	Department of Employment Security
01.5X	Department of Corrections	04.8X	Minority Commissions and Councils
01.7X	Other Corrections Agencies	04.9X	Department of Health
01.8X	Military Department		
01.9X	Lottery Commission	05.1X	Superintendent of Public Instruction
		05.2X	Work Force Training and Education Coordinating Board
02.1X	Department of Agriculture	05.3X	Higher Education Coordinating Board
02.2X	Agricultural Commissions	05.4X	Universities and Four-Year Colleges
02.3X	Department of Natural Resources	05.5X	Community and Technical Colleges
02.4X	Department of Parks and Recreation	05.6X	Other Educational Agencies
02.5X	Department of Fish and Wildlife	05.7X	State Library
02.7X	Interagency Committee for Outdoor Recreation	05.8X	Arts Commission
02.8X	Utilities and Transportation Commission	06.9X	Other Agencies

For grants from local governments (counties, cities, and other districts) use 07.0X – 09.99.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS

600.00* REVENUE ACCOUNTS

The 600 series of revenue accounts designate all inflows by the type of operation (function) and activities within these operations. These accounts represent an orderly means of classifying transactions.

The operations have been divided into Airport, Marina, Marine Terminal, Property Lease and Rentals, General and Administrative, and Nonoperating functions.

The activities defined within each of these functions include user charges, real property rentals (land), real property rentals (facilities), personal property rentals (with port operator), and personal property rentals (without port operator).

Throughout the operations and activity sections of the revenue accounts, various account numbers have not been defined or reserved. These open accounts are available for use in providing additional detail at the port's discretion. However, as the BARS manual is updated due to changing environments, it may be necessary to define these accounts.

The 660 series accounts have been provided for those districts that prefer to segregate property lease and rental activities from other operations. Thus, ports may account for these revenues within the various operations, or as a separate function. However, a port should be consistent in their application by using **ONLY** one of the methods available.

BASIC ACCOUNTS

610.00	AIRPORT	660.00	PROPERTY LEASE/RENTAL
620.00	MARINA	670.00	NONREVENUES
630.00	MARINE TERMINAL	680.00	GENERAL AND ADMINISTRATIVE
640.00	LOCAL OPTION	690.00	NONOPERATING
650.00	CAPITAL CONTRIBUTIONS		

* Most of the revenue and nonrevenue codes are limited to five (5) positions; however, a total of seven (7) positions are reserved for BARS information, i.e., 600.00.00. If these digits are undefined, ports may use them to provide additional detail.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Basic and Subaccounts

610.00	AIRPORT
611.00	USER CHARGES
612.00	USER CHARGES
614.00	REAL PROPERTY RENTALS - LAND
615.00	REAL PROPERTY RENTALS - FACILITIES
616.00	REAL PROPERTY RENTALS - FACILITIES
617.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
618.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
619.00	OTHER
620.00	MARINA
621.00	USER CHARGES
622.00	USER CHARGES
624.00	REAL PROPERTY RENTALS - LAND
625.00	REAL PROPERTY RENTALS - FACILITIES
626.00	REAL PROPERTY RENTALS - FACILITIES
627.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
628.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
629.00	OTHER
630.00	MARINE TERMINAL
631.00	USER CHARGES
632.00	USER CHARGES
634.00	REAL PROPERTY RENTALS - LAND
635.00	REAL PROPERTY RENTALS - FACILITIES
636.00	REAL PROPERTY RENTALS - FACILITIES
637.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
638.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
639.00	OTHER
640.00	LOCAL OPTION*
650.00	CAPITAL CONTRIBUTIONS
651.00	CAPITAL CONTRIBUTIONS – FEDERAL/STATE/LOCAL
652.00	CAPITAL CONTRIBUTIONS – OTHER

* This account number is available for additional port operations. However, the activities defined within this function should be consistent with the other operations.

BARS UNIFORM CHART OF ACCOUNTS

REVENUE ACCOUNTS

Basic and Subaccounts

660.00	PROPERTY LEASE/RENTAL
661.00	USER CHARGES
662.00	USER CHARGES
664.00	REAL PROPERTY RENTALS - LAND
665.00	REAL PROPERTY RENTALS - FACILITIES
666.00	REAL PROPERTY RENTALS - FACILITIES
667.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
668.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
669.00	OTHER
670.00	NONREVENUES
671.00	DEBT PROCEEDS
672.00	INVESTMENT PROCEEDS
679.00	OTHER
680.00	GENERAL AND ADMINISTRATIVE
681.00	USER CHARGES
682.00	USER CHARGES
684.00	REAL PROPERTY RENTALS - LAND
685.00	REAL PROPERTY RENTALS - FACILITIES
686.00	REAL PROPERTY RENTALS - FACILITIES
687.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
688.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
689.00	OTHER
690.00	NONOPERATING
691.00	USER CHARGES
692.00	USER CHARGES
693.00	OPERATING GRANTS
694.00	REAL PROPERTY RENTALS - LAND
695.00	REAL PROPERTY RENTALS - FACILITIES
696.00	REAL PROPERTY RENTALS - FACILITIES
697.00	PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR
698.00	PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR
699.00	OTHER

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

61X.XX AIRPORT REVENUES

611/612 AIRPORT - USER CHARGES

611.10 LANDING FEES: Revenue derived from charges for aircraft landing fees of general aviation, charter flights, and other non-tenant aircrafts (refer to accounts 615/616 for long-term landing arrangements).

611.20 VEHICLE PARKING FEES: Revenue derived from parking fees received from the public using the garage and other public parking.

611.30 AIRCRAFT PARKING FEES: Revenue derived from charges for transient parking of general aviation, charter flights, and other non-tenant aircrafts (refer to accounts 615.11 and 615.12 or 665.11 and 665.12 for arrangements over 30 days or more than \$250 annually).

611.40 MISCELLANEOUS FEES AND PERMITS: Revenue derived from all miscellaneous fees and permits which are not specifically provided for in other accounts.

611.80 UTILITIES: Revenue derived from charges for water, electricity, heat, steam, etc., furnished to users of airport premises.

611.81 WATER

611.82 ELECTRICITY

611.83 SEWER

611.84 STEAM

611.85 SURFACE WATER TAX

611.86 GARBAGE COLLECTION

611.87 NATURAL GAS/PROPANE/OIL

611.88 TELECOMMUNICATIONS

611.89 OTHER

611.90 RESERVED

612.80 RESERVED

612.90 OTHER: Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

- 614.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)
- 614.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the airport terminal.
- 614.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.
- 614.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land with tenant owned facility where trade tariffs do not apply.
- 614.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.

EFF DATE SUPERSEDES
1/1/03 1/1/98

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BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

615/616 REAL PROPERTY RENTALS - FACILITIES: (i.e., Port owns both land and facility)

615.10 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

615.11 PERMANENT AIRCRAFT PARKING: - Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30.

615.12 TEMPORARY AIRCRAFT PARKING: - Leasehold agreement for a specified period (over 30 days). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30.

615.20 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

615.30 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

615.40 JOINT USE AREAS: Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of airport operations, used jointly by all airline tenants, such as baggage claim and handling areas.

615.90 RESERVED

616.30 FUEL FLOWAGE FEES: Revenue derived from providing fuel to airport users.

616.90 OTHER: Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of airport operations, which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

617.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR

617.90 OTHER: Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

618.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR

618.10 LOADING BRIDGES: Revenue derived from the rental of loading bridges without port operators.

618.90 OTHER: Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

619.XX OTHER: Revenue derived from other sources not otherwise included in accounts 611 thru 618.

EFF DATE SUPERSEDES
1/1/03 1/1/92

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BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

62X.XX MARINA REVENUES

621/622 MARINA USER CHARGES

621.10 MOORAGE: Revenue derived from charges to fishing vessels or pleasure craft for use of berthage space alongside of dock/pier, access for sustenance and supplies over the pier for the vessel.

621.11 PERMANENT: Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).

621.12 TEMPORARY: Leasehold agreement for a specified period (over 30 days). This account is normally used by marinas not filled to capacity.

621.13 TRANSIENT: No leasehold agreement (under 30 days and less than \$250 annually)

621.80 UTILITIES: Revenue derived from charges for water, electricity, heat, steam, etc., furnished to fishing vessels or pleasure crafts.

621.81 WATER

621.82 ELECTRICITY

621.83 SEWER

621.84 STEAM

621.85 SURFACE WATER TAX

621.86 GARBAGE COLLECTION

621.87 NATURAL GAS/PROPANE/OIL

621.88 TELECOMMUNICATIONS

621.89 OTHER

621.90 RESERVED

622.80 RESERVED

622.90 OTHER: Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

- 624.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)
- 624.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the marina.
- 624.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.
- 624.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.

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BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

625/626 REAL PROPERTY RENTALS - FACILITIES: (i.e., Port owns both land and facility)

625.10 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

625.20 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

625.30 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

625.40 JOINT USE AREAS: Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, used jointly by all marina tenants.

625.90 RESERVED

626.40 FUEL DOCK: Revenue derived from providing fuel to marina users.

626.50 BOAT STORAGE: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, for boat storage (e.g., dry dock).

626.51 PERMANENT: Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).

626.52 TEMPORARY: Leasehold agreement for a specified period (over 30 days).

626.53 TRANSIENT: No leasehold agreement (under 30 days and less than \$250 annually).

626.90 OTHER: Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of marina operations, which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

627.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR

627.90 OTHER: Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

628.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR

628.90 OTHER: Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

629.XX OTHER: Revenue derived from other sources not otherwise included in accounts 621 thru 628.

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Account Definitions

63X.XX MARINE TERMINAL REVENUES

631/632 MARINE TERMINAL - USER CHARGES

- 631.10 DOCKAGE:** Revenue derived from charges assessed against vessels for berthing at a wharf, piling structure, pier, bulkhead structure, or bank, or for mooring to a vessel so berthed.
- 631.20 WHARFAGE:** Revenue derived from charges assessed against all cargo passing or conveyed over, onto, or under wharves or between vessels (to or from barge, lighter, or water), when berthed at wharf, piling structure, pier, bulkhead structure or bank. Wharfage does not include charges for any other service.
- 631.30 SERVICE AND FACILITIES:** Revenue derived from the charge assessed against a vessel for the use of terminal working areas in the receipt and delivery of cargo and for documentation services in connection with the receipt, custody, and delivery of cargo.
- 631.40 STORAGE:** Revenue derived from the charges for the safekeeping of goods in warehouse or other repository.
- 631.50 LOADING AND UNLOADING:** Revenue derived from the charges for services, specific to shore side activities, performed in loading and unloading cargo on or off railroad cars, trucks, etc. The services include ordinary breakdown, sorting and stacking.
- 631.60 HANDLING:** Revenue derived from the charges made against vessels for physically moving cargo to/from ships tackle to/from the first point of rest on the terminal facility.
- 631.70 LABOR:** Revenue derived from the charges assessed against a customer for all labor (e.g., standby, overtime, penalty cargo).
- 631.80 UTILITIES:** Revenue derived from charges for water, electricity, heat, steam, etc., furnished to vessels, and users of terminal premises.
- 631.81 WATER**
- 631.82 ELECTRICITY**
- 631.83 SEWER**
- 631.84 STEAM**
- 631.85 SURFACE WATER TAX**
- 631.86 GARBAGE COLLECTION**
- 631.87 NATURAL GAS/PROPANE/OIL**
- 631.88 TELECOMMUNICATIONS**
- 631.89 OTHER**
- 631.90 RESERVED**
- 632.80 RESERVED**
- 632.90 OTHER:** Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

- 634.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)
- 634.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the marine terminal.
- 634.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.
- 634.30 LOG STORAGE:** Revenue derived from the rental/lease of land for storage of logs.
- 634.40 GRAIN ELEVATOR:** Revenue derived from the rental/lease of land with tenant owned grain elevator.
- 634.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land with tenant owned facility where trade tariffs do not apply.
- 634.60 COLD STORAGE:** Revenue derived from the rental/lease of land with tenant owned cold storage warehouse for freeze cargo.
- 634.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

635/636 REAL PROPERTY RENTALS - FACILITIES: (i.e., Port owns both land and facility)

- 635.10 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.20 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.30 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.40 JOINT USE AREAS:** Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of marine terminal operations, used jointly by all terminal tenants.
- 635.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations where trade tariffs do not apply.
- 635.60 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, for industrial park.
- 635.70 LOG STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, for storage of logs.
- 635.80 GRAIN ELEVATOR:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a grain elevator.
- 635.90 RESERVED**
- 636.10 COLD STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a cold storage warehouse for freeze cargo.
- 636.20 CONTAINER TERMINAL:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a container for cargo.
- 636.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of marine terminal operations, which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

637.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR

- 637.10 CRANES:** Revenue derived from rental of cranes with port operators.
- 637.20 FORK LIFTS:** Revenue derived from rental of lift trucks with port operators.
- 637.30 LOG HANDLERS:** Revenue derived from rental of log handlers with port operators.
- 637.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

638.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR

- 638.10 CRANES:** Revenue derived from rental of cranes without port operators.
- 638.20 FORK LIFTS:** Revenue derived from rental of lift trucks without port operators.
- 638.30 LOG HANDLERS:** Revenue derived from rental of log handlers without port operators.
- 638.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

- 639.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 631 thru 638.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

65X.XX CAPITAL CONTRIBUTIONS

651.XX CAPITAL CONTRIBUTIONS - FEDERAL/STATE/LOCAL: Use grant source coding in the element/subelement and object/subobject field. See coding instructions for grants in Part 1, Chapter 4 of this manual.

652.XX CAPITAL CONTRIBUTIONS - OTHER: Financial resources for capital purposes provided by private contributors.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

66X.XX PROPERTY LEASE/RENTAL REVENUES

661/662 PROPERTY LEASE/RENTAL - USER CHARGES

661.80 UTILITIES: Revenue derived from charges for water, electricity, heat, steam, etc., furnished to customers.

661.81 WATER

661.82 ELECTRICITY

661.83 SEWER

661.84 STEAM

661.85 SURFACE WATER TAX

661.86 GARBAGE COLLECTION

661.87 NATURAL GAS/PROPANE/OIL

661.88 TELECOMMUNICATIONS

661.89 OTHER

661.90 RESERVED

662.80 RESERVED

662.90 OTHER: Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

664.XX REAL PROPERTY RENTALS - LAND: (i.e., Port owned land, tenant owned facility)

664.10 UNIMPROVED LAND: Revenue derived from the rental/lease of land under the direction of airport, marina, or marine terminal operations.

664.20 INDUSTRIAL PARK: Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations for industrial park.

664.30 LOG STORAGE: Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations for storage of logs.

664.40 GRAIN ELEVATORS: Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned grain elevator.

664.50 FREE TRADE ZONE: Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned facility where trade tariffs do not apply.

664.60 COLD STORAGE: Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned cold storage warehouse for freeze cargo.

664.90 OTHER: Revenue derived for all the miscellaneous rental/lease of land, under the direction of airport, marina, or marine terminal operations, which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

665/666 REAL PROPERTY RENTALS - FACILITIES: (i.e., Port owns both land and facility)

665.10 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

665.11 PERMANENT AIRCRAFT PARKING: Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually). Includes tie downs, hangars, floats, etc. For transient parking, refer to account 611.30

665.12 TEMPORARY AIRCRAFT PARKING: Leasehold agreement for a specified period (over 30 days). Includes tie downs, hangars, floats, etc. For transient parking, refer to account 611.30

665.20 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

665.30 SPACE RENTAL - GENERAL: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

665.40 JOINT USE AREAS: Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations, used jointly by all tenants.

665.50 FREE TRADE ZONE: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, where trade tariffs do not apply.

665.60 INDUSTRIAL PARK: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, for industrial park.

665.70 LOG STORAGE: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, for storage of logs.

665.80 GRAIN ELEVATOR: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a grain elevator.

665.90 RESERVED

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

666.10	COLD STORAGE: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a cold storage warehouse for freeze cargo.
666.20	CONTAINER TERMINAL: Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a container for cargo.
666.30	FUEL FLOWAGE FEES: Revenue derived from providing fuel to airport users.
666.40	FUEL DOCK: Revenue derived from fuel to marina users.
666.50	BOAT STORAGE: Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, for boat storage (e.g., dry dock).
666.51	PERMANENT: Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).
666.52	TEMPORARY: Leasehold agreement for a specified period (over 30 days).
666.53	TRANSIENT: No leasehold agreement (under 30 days and less than \$250 annually).
666.90	OTHER: Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, which are not specifically provided for in other accounts.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

667.XX PROPERTY LEASE/RENTAL REVENUES

667.90 OTHER: Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

668.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR

668.90 OTHER: Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

669.XX OTHER: Revenue derived from other sources not otherwise included in accounts 661 thru 668.

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BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

67X.XX NONREVENUES: Receipts which do not meet revenue criteria.

671.XX DEBT PROCEEDS: Include proceeds from the issuance of debt or other obligations.

671.10 GENERAL OBLIGATION BOND PROCEEDS

671.20 REVENUE BOND PROCEEDS

671.30 CAPITAL LEASES/INSTALLMENT PURCHASES PROCEEDS

671.40 ANTICIPATION NOTES/WARRANTS PROCEEDS

671.50 OTHER NOTE/CONTRACT PROCEEDS

671.60 INTERGOVERNMENTAL LOAN PROCEEDS

671.90 OTHER DEBT PROCEEDS

672.XX INVESTMENT PROCEEDS: Include proceeds from the sale of investments. Exclude any interest or other earnings properly categorized as a revenue.

672.10 PROCEEDS FROM SALE OF INVESTMENTS

679.XX OTHER NONREVENUES

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

68X.XX GENERAL AND ADMINISTRATIVE REVENUES

681/682 GENERAL AND ADMINISTRATIVE - USER CHARGES :

(Account is not commonly used, although space has been provided for use at the port's discretion)

681.80 RESERVED

681.90 RESERVED

682.80 RESERVED

682.90 OTHER

684.XX REAL PROPERTY RENTALS - LAND:

(Account is not commonly used, although space has been provided for use at the port's discretion)

684.90 OTHER

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

685/686 REAL PROPERTY RENTALS - FACILITIES:

(Account is not commonly used, although space has been provided for use at the port's discretion)

685.90 RESERVED

686.90 OTHER

687.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR:

(Account is not commonly used, although space has been provided for use at the port's discretion)

687.90 OTHER

688.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR:

(Account is not commonly used, although space has been provided for use at the port's discretion)

688.90 OTHER

689.XX OTHER: Revenue derived from other sources not otherwise included in accounts 681 thru 688.

BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

69X.XX NONOPERATING REVENUES

691/692 NONOPERATING - USER CHARGES:

(Account is not commonly used, although space has been provided for use at the port's discretion)

691.80 RESERVED

691.90 RESERVED

692.80 RESERVED

692.90 OTHER

693.XX OPERATING GRANTS:

External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. See Part 1, Chapter 4 for additional coding instructions.

694.XX REAL PROPERTY RENTALS - LAND:

(Account is not commonly used, although space has been provided for use at the port's discretion)

694.90 OTHER

695/696 REAL PROPERTY RENTALS - FACILITIES:

(Account is not commonly used, although space has been provided for use at the port's discretion)

695.90 RESERVED

696.90 OTHER

697.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR:

(Account is not commonly used, although space has been provided for use at the port's discretion)

697.90 OTHER

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BARS UNIFORM CHART OF ACCOUNTS
REVENUE ACCOUNTS
Account Definitions

698.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR:
(Account is not commonly used, although space has been provided for use at the port's discretion)

698.90 OTHER

699.XX OTHER: Revenue derived from other sources not otherwise included in accounts 691 thru 698.

699.10 INTEREST: Revenue derived from interest earned on investments, contracts, securities, notes, loans, accounts receivable, special deposits, tax refunds, and all other interest-bearing assets.

699.20 AD VALOREM TAXES: Revenue derived from tax assessments levied for the support of the governmental unit, including Industrial Development District (IDD).

699.30 MISCELLANEOUS TAXES: Revenue derived from taxes, excluding ad valorem and Industrial Development District (IDD).

699.50 EXTRAORDINARY/SPECIAL ITEMS

699.51 EXTRAORDINARY ITEMS: Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. They are also not within control of management (e.g., environmental or natural disasters, etc.). Also use this account to record transactions which are unusual and infrequent but within control of management.

699.52 SPECIAL ITEMS: Special items are transactions or other events within control of management that are either unusual in nature or infrequent in occurrence (e.g., sales of capital assets, significant forgiveness of debt, etc.).

699.60 GAINS (LOSSES) ON INVESTMENTS

699.61 REALIZED GAINS (LOSSES) ON INVESTMENTS: Gain (loss) on sale of investment. Do not include interest earnings (see account 699.10).

699.80 PROCEEDS FROM CAPITAL ASSETS DISPOSAL

699.81 PROCEEDS FROM SALE OF CAPITAL ASSETS

699.82 INSURANCE RECOVERIES FOR LOST CAPITAL ASSETS

699.89 OTHER RECOVERIES

699.90 OTHER: Revenue derived for all miscellaneous items properly includible in the revenue account and not provided for elsewhere.

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS

700.00 EXPENSE ACCOUNTS

The 700 series of expense accounts designates all outflows by the type of operation (function), activity, and classification. These accounts represent an orderly means of classifying transactions.

The operations have been divided into Airport, Marina, Marine Terminal, Property Lease and Rentals, General and Administrative, and Nonoperating functions.

The activities defined within each of these functions include operating, maintenance, general and administrative, and depreciation.

The classifications within each of the activities have been defined as salaries, benefits, outside services, supplies, equipment rentals, facilities rentals, general and administrative, and utilities.

Throughout the operations, activity, and classification sections of expense accounts, various account numbers have not been defined or reserved. These open accounts are available for use at the port's discretion. However, as the BARS manual is updated, it may be necessary to define these accounts.

Most of the illustrations of coding expenses include only five (5) digits or positions. An additional 1-2 digits is available for additional detail. If these digits are not defined or reserved, the ports may use them at their own discretion. Only the accounts applicable to a particular district should be used.

BASIC ACCOUNTS

710.00	AIRPORT	760.00	PROPERTY LEASE/RENTALS
720.00	MARINA	770.00	NONEXPENSES
730.00	MARINE TERMINAL	780.00	GENERAL AND ADMINISTRATIVE
740.00	LOCAL OPTION	790.00	NONOPERATING
750.00	LOCAL OPTION		

NOTE. The inclusion of an account in this chart of accounts does not in itself provide the user with the authority to do something prohibited or not otherwise authorized by law. The chart of accounts is intended to provide all accounts that will be needed by any user of the system; some apply to very few districts.

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Basic Accounts and Subaccounts

710.00	AIRPORT
711.00	OPERATIONS
712.00	
713.00	MAINTENANCE
714.00	
715.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
716.00	
717.00	DEPRECIATION
718.00	
719.00	OTHER
720.00	MARINA
721.00	OPERATIONS
722.00	
723.00	MAINTENANCE
724.00	
725.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
726.00	
727.00	DEPRECIATION
728.00	
729.00	OTHER
730.00	MARINE TERMINAL
731.00	OPERATIONS
732.00	
733.00	MAINTENANCE
734.00	
735.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
736.00	
737.00	DEPRECIATION
738.00	
739.00	OTHER
740.00	LOCAL OPTION*
750.00	LOCAL OPTION*

* This account number is available for additional port operations. However, the activities defined within this function should be consistent with the other operations.

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BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Basic Accounts and Subaccounts

760.00	PROPERTY LEASE/RENTALS
761.00	OPERATIONS
762.00	
763.00	MAINTENANCE
764.00	
765.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
766.00	
767.00	DEPRECIATION
768.00	
769.00	OTHER
770.00	NONEXPENSES
771.00	DEBT REDEMPTION (PRINCIPAL)
772.00	INVESTMENT DISBURSEMENTS
773.00	CAPITAL ASSETS DISBURSEMENTS
779.00	OTHER
780.00	GENERAL AND ADMINISTRATIVE
781.00	OPERATIONS
782.00	
783.00	MAINTENANCE
784.00	
785.00	GENERAL AND ADMINISTRATIVE (ALLOCATED)
786.00	
787.00	DEPRECIATION
788.00	
789.00	OTHER
790.00	NONOPERATING
791-798	RESERVED
799.00	OTHER

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BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

71X.XX AIRPORT EXPENSES

711.XX OPERATING (DIRECT COSTS): Expenses which are directly related to the district's primary service activities.

711.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with airport operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

711.11.XX REGULAR (Straight-Pay)

711.12.XX OVERTIME

711.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

711.21.XX SOCIAL SECURITY (FICA)

711.22.XX WORKERS' COMPENSATION (L&I)

711.23.XX UNEMPLOYMENT COMPENSATION

711.24.XX PENSION (PERS/LEOFF)

711.25.XX INSURANCE (health, life, disability)

711.26.XX LEAVE (vacation, sick, etc.)

711.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services in connection with airport operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

711.31.XX LEGAL

711.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with airport operations (e.g., office, computer, janitorial, fuel, lubricants).

711.41.XX OFFICE/COMPUTER

711.42.XX JANITORIAL

711.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

711.50.XX	EQUIPMENT RENTALS: Cost of operating rented equipment used in connection with airport operations.
711.60.XX	FACILITY RENTALS: Cost of operating rented facilities used in connection with airport operations.
711.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with airport operations.
711.71.XX	PROMOTIONAL HOSTING
711.72.XX	TRAVEL
711.73.XX	INSURANCE
711.74.XX	ADVERTISING
711.75.XX	MEMBERSHIPS/DUES
711.79.XX	OTHER
711.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with airport operations.
711.81.XX	WATER
711.82.XX	ELECTRICITY
711.83.XX	SEWER
711.84.XX	STEAM
711.85.XX	SURFACE WATER TAX
711.86.XX	GARBAGE COLLECTION
711.87.XX	NATURAL GAS/PROPANE/OIL
711.88.XX	TELECOMMUNICATIONS
711.89.XX	OTHER
711.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the operations of the airport.
711.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

713.XX MAINTENANCE: Expenses which are directly related to the port's upkeep of physical properties in condition for use or occupancy. **NOTE:** Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

713.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with airport maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

713.11.XX REGULAR (Straight-Pay)
713.12.XX OVERTIME

713.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

713.21.XX SOCIAL SECURITY (FICA)
713.22.XX WORKERS' COMPENSATION (L&I)
713.23.XX UNEMPLOYMENT COMPENSATION
713.24.XX PENSION (PERS/LEOFF)
713.25.XX INSURANCE (health, life, disability)
713.26.XX LEAVE (vacation, sick, etc.)

713.30.XX OUTSIDE SERVICES: Costs incurred for services in connection with airport maintenance (e.g., custodians, plumbers, electricians, legal).

713.31.XX LEGAL

713.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with airport maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

713.41.XX OFFICE/COMPUTER
713.42.XX JANITORIAL
713.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

713.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment used in connection with airport maintenance.
713.60.XX	FACILITY RENTALS: Costs incurred for rented facilities used in connection with airport maintenance.
713.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with airport maintenance.
713.71.XX	RESERVED
713.72.XX	TRAVEL
713.73.XX	INSURANCE
713.74.XX	ADVERTISING
713.75.XX	MEMBERSHIPS/DUES
713.79.XX	OTHER
713.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with airport maintenance.
713.81.XX	WATER
713.82.XX	ELECTRICITY
713.83.XX	SEWER
713.84.XX	STEAM
713.85.XX	SURFACE WATER TAX
713.86.XX	GARBAGE COLLECTION
713.87.XX	NATURAL GAS/PROPANE/OIL
713.88.XX	TELECOMMUNICATIONS
713.89.XX	OTHER
713.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the maintenance of the airport.
713.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

715.XX GENERAL AND ADMINISTRATIVE: Expenses which are not chargeable directly to a particular operating function or to other accounts.

715.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED): Costs incurred for General and Administrative costs allocated in connection with airport operations.

715.10.XX RESERVED (use 715.00)

715.20.XX RESERVED (use 715.00)

715.30.XX RESERVED (use 715.00)

715.40.XX RESERVED (use 715.00)

715.50.XX RESERVED (use 715.00)

715.60.XX RESERVED (use 715.00)

715.70.XX RESERVED (use 715.00)

715.80.XX RESERVED (use 715.00)

715.90.XX RESERVED (use 715.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

717.XX DEPRECIATION: Portion of the cost of a capital asset which is charged as an expense during a particular period.

717.00.XX DEPRECIATION: Costs of depreciation expense, for all classes of depreciable property, incurred in connection with airport operations.

717.10.XX RESERVED (use 717.00)

717.20.XX RESERVED (use 717.00)

717.30.XX RESERVED (use 717.00)

717.40.XX RESERVED (use 717.00)

717.50.XX RESERVED (use 717.00)

717.60.XX RESERVED (use 717.00)

717.70.XX RESERVED (use 717.00)

717.80.XX RESERVED (use 717.00)

717.90.XX RESERVED (use 717.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

719.XX OTHER: Expenses incurred from other uses not otherwise included in accounts 711 thru 718.

719.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, not otherwise defined in the airport, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

719.11.XX REGULAR (Straight-Pay)

719.12.XX OVERTIME

719.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the airport. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

719.21.XX SOCIAL SECURITY (FICA)

719.22.XX WORKERS' COMPENSATION (L&I)

719.23.XX UNEMPLOYMENT COMPENSATION

719.24.XX PENSION (PERS/LEOFF)

719.25.XX INSURANCE (health, life, disability)

719.26.XX LEAVE (vacation, sick, etc.)

719.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services which are not applicable to a particular function of the airport.

719.31.XX LEGAL

719.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the airport functions.

719.41.XX OFFICE/COMPUTER

719.42.XX JANITORIAL

719.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

719.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment, not otherwise defined in the airport functions.
719.60.XX	FACILITY RENTALS: Costs incurred for rented facilities, not otherwise defined in the airport functions.
719.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred, not otherwise defined in the airport functions.
719.71.XX	RESERVED
719.72.XX	TRAVEL
719.73.XX	INSURANCE
719.74.XX	ADVERTISING
719.75.XX	MEMBERSHIPS/DUES
719.79.XX	OTHER
719.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed, not otherwise defined in the airport functions.
719.81.XX	WATER
719.82.XX	ELECTRICITY
719.83.XX	SEWER
719.84.XX	STEAM
719.85.XX	SURFACE WATER TAX
719.86.XX	GARBAGE COLLECTION
719.87.XX	NATURAL GAS/PROPANE/OIL
719.88.XX	TELECOMMUNICATIONS
719.89.XX	OTHER
719.90.XX	OTHER: Costs incurred for other uses not otherwise defined in airport functions.
719.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

72X.XX MARINA EXPENSES

721.XX OPERATING (DIRECT COSTS): Expenses which are directly related to the port's primary service activities.

721.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees in connection with marina operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

721.11.XX REGULAR (Straight-Pay)

721.12.XX OVERTIME

721.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

721.21.XX SOCIAL SECURITY (FICA)

721.22.XX WORKERS' COMPENSATION (L&I)

721.23.XX UNEMPLOYMENT COMPENSATION

721.24.XX PENSION (PERS/LEOFF)

721.25.XX INSURANCE (health, life, disability)

721.26.XX LEAVE (vacation, sick, etc.)

721.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services in connection with marina operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

721.31.XX LEGAL

721.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with marina operations (e.g., office, computer, janitorial, fuel, lubricants).

721.41.XX OFFICE/COMPUTER

721.42.XX JANITORIAL

721.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

721.50.XX	EQUIPMENT RENTALS: Cost of operating rented equipment used in connection with marina operations.
721.60.XX	FACILITY RENTALS: Cost of operating rented facilities used in connection with marina operations.
721.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with marina operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).
721.71.XX	PROMOTIONAL HOSTING
721.72.XX	TRAVEL
721.73.XX	INSURANCE
721.74.XX	ADVERTISING
721.75.XX	MEMBERSHIPS/DUES
721.79.XX	OTHER
721.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with marina operations.
721.81.XX	WATER
721.82.XX	ELECTRICITY
721.83.XX	SEWER
721.84.XX	STEAM
721.85.XX	SURFACE WATER TAX
721.86.XX	GARBAGE COLLECTION
721.87.XX	NATURAL GAS/PROPANE/OIL
721.88.XX	TELECOMMUNICATIONS
721.89.XX	OTHER
721.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the operations of the marina.
721.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

723.XX MAINTENANCE: Expenses which are directly related to the port's upkeep of physical properties in condition for use or occupancy. **NOTE:** Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

723.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with marina maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

723.11.XX REGULAR (Straight-Pay)
723.12.XX OVERTIME

723.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

723.21.XX SOCIAL SECURITY (FICA)
723.22.XX WORKERS' COMPENSATION (L&I)
723.23.XX UNEMPLOYMENT COMPENSATION
723.24.XX PENSION (PERS/LEOFF)
723.25.XX INSURANCE (health, life, disability)
723.26.XX LEAVE (vacation, sick, etc.)

723.30.XX OUTSIDE SERVICES: Costs incurred for services in connection with marina maintenance (e.g., custodians, plumbers, electricians, legal).

723.31.XX LEGAL

723.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with marina maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

723.41.XX OFFICE/COMPUTER
723.42.XX JANITORIAL
723.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

723.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment used in connection with marina maintenance.
723.60.XX	FACILITY RENTALS: Costs incurred for rented facilities used in connection with marina maintenance.
723.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with marina maintenance.
723.71.XX	RESERVED
723.72.XX	TRAVEL
723.73.XX	INSURANCE
723.74.XX	ADVERTISING
723.75.XX	MEMBERSHIPS/DUES
723.79.XX	OTHER
723.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with marina maintenance.
723.81.XX	WATER
723.82.XX	ELECTRICITY
723.83.XX	SEWER
723.84.XX	STEAM
723.85.XX	SURFACE WATER TAX
723.86.XX	GARBAGE COLLECTION
723.87.XX	NATURAL GAS/PROPANE/OIL
723.88.XX	TELECOMMUNICATIONS
723.89.XX	OTHER
723.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the maintenance of the marina.
723.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

725.XX GENERAL AND ADMINISTRATIVE: Expenses which are not chargeable directly to a particular operating function or to other accounts.

725.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED): Costs incurred for General and Administrative costs allocated in connection with marina operations.

725.10.XX RESERVED (use 725.00)

725.20.XX RESERVED (use 725.00)

725.30.XX RESERVED (use 725.00)

725.40.XX RESERVED (use 725.00)

725.50.XX RESERVED (use 725.00)

725.60.XX RESERVED (use 725.00)

725.70.XX RESERVED (use 725.00)

725.80.XX RESERVED (use 725.00)

725.90.XX RESERVED (use 725.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

727.XX DEPRECIATION: Portion of the cost of a capital asset which is charged as an expense during a particular period.

727.00.XX DEPRECIATION: Costs of depreciation expense, for all classes of depreciable property, incurred in connection with marina operations.

727.10.XX RESERVED (use 727.00)

727.20.XX RESERVED (use 727.00)

727.30.XX RESERVED (use 727.00)

727.40.XX RESERVED (use 727.00)

727.50.XX RESERVED (use 727.00)

727.60.XX RESERVED (use 727.00)

727.70.XX RESERVED (use 727.00)

727.80.XX RESERVED (use 727.00)

727.90.XX RESERVED (use 727.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

729.00 OTHER: Expenses incurred from other uses not otherwise included in accounts 721 thru 728.

729.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, not otherwise defined in the marina, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

729.11.XX REGULAR (Straight-Pay)

729.12.XX OVERTIME

729.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the marina. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment and postemployment benefits).

729.21.XX SOCIAL SECURITY (FICA)

729.22.XX WORKERS' COMPENSATION (L&I)

729.23.XX UNEMPLOYMENT COMPENSATION

729.24.XX PENSION (PERS/LEOFF)

729.25.XX INSURANCE (health, life, disability)

729.26.XX LEAVE (vacation, sick, etc.)

729.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services which are not applicable to a particular function of the marina.

729.31.XX LEGAL

729.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the marina functions.

729.41.XX OFFICE/COMPUTER

729.42.XX JANITORIAL

729.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

729.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment, not otherwise defined in the marina functions.
729.60.XX	FACILITY RENTALS: Costs incurred for rented facilities, not otherwise defined in the marina functions.
729.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred, not otherwise defined in the marina functions.
729.71.XX	RESERVED
729.72.XX	TRAVEL
729.73.XX	INSURANCE
729.74.XX	ADVERTISING
729.75.XX	MEMBERSHIPS/DUES
729.79.XX	OTHER
729.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed, not otherwise defined in the marina functions.
729.81.XX	WATER
729.82.XX	ELECTRICITY
729.83.XX	SEWER
729.84.XX	STEAM
729.85.XX	SURFACE WATER TAX
729.86.XX	GARBAGE COLLECTION
729.87.XX	NATURAL GAS/PROPANE/OIL
729.88.XX	TELECOMMUNICATIONS
729.89.XX	OTHER
729.90.XX	OTHER: Costs incurred for other uses not otherwise defined in marina functions.
729.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

73X.XX MARINE TERMINAL EXPENSES

731.XX OPERATING (DIRECT COSTS): Expenses which are directly related to the port's primary service activities.

731.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with marine terminal operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

731.11.XX REGULAR (Straight-Pay)
731.12.XX OVERTIME

731.20.XX BENEFITS: Employee benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

731.21.XX SOCIAL SECURITY (FICA)
731.22.XX WORKERS' COMPENSATION (L&I)
731.23.XX UNEMPLOYMENT COMPENSATION
731.24.XX PENSION (PERS/LEOFF)
731.25.XX INSURANCE (health, life, disability)
731.26.XX LEAVE (vacation, sick, etc.)

731.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services in connection with marine terminal operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

731.31.XX LEGAL

731.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with marine terminal operations (e.g., office, computer, janitorial, fuel, lubricants).

731.41.XX OFFICE/COMPUTER
731.42.XX JANITORIAL
731.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

731.50.XX	EQUIPMENT RENTALS: Cost of operating rented equipment used in connection with marine terminal operations.
731.60.XX	FACILITY RENTALS: Cost of operating rented facilities used in connection with marine terminal operations.
731.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with marine terminal operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).
731.71.XX	PROMOTIONAL HOSTING
731.72.XX	TRAVEL
731.73.XX	INSURANCE
731.74.XX	ADVERTISING
731.75.XX	MEMBERSHIPS/DUES
731.79.XX	OTHER
731.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with marine terminal operations.
731.81.XX	WATER
731.82.XX	ELECTRICITY
731.83.XX	SEWER
731.84.XX	STEAM
731.85.XX	SURFACE WATER TAX
731.86.XX	GARBAGE COLLECTION
731.87.XX	NATURAL GAS/PROPANE/OIL
731.88.XX	TELECOMMUNICATIONS
731.89.XX	OTHER
731.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the operations of the marine terminal.
731.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

733.XX MAINTENANCE: Expenses which are directly related to the port's upkeep of physical properties in condition for use or occupancy. **NOTE:** Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

733.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with marine terminal maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

733.11.XX REGULAR (Straight-Pay)
733.12.XX OVERTIME

733.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

733.21.XX SOCIAL SECURITY (FICA)
733.22.XX WORKERS' COMPENSATION (L&I)
733.23.XX UNEMPLOYMENT COMPENSATION
733.24.XX PENSION (PERS/LEOFF)
733.25.XX INSURANCE (health, life, disability)
733.26.XX LEAVE (vacation, sick, etc.)

733.30.XX OUTSIDE SERVICES: Costs incurred for services in connection with marine terminal maintenance (e.g., custodians, plumbers, electricians, legal).

733.31.XX LEGAL

733.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with marine terminal maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

733.41.XX OFFICE/COMPUTER
733.42.XX JANITORIAL
733.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

733.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment used in connection with marine terminal maintenance.
733.60.XX	FACILITY RENTALS: Costs incurred for rented facilities used in connection with marine terminal maintenance.
733.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with marine terminal maintenance.
733.71.XX	RESERVED
733.72.XX	TRAVEL
733.73.XX	INSURANCE
733.74.XX	ADVERTISING
733.75.XX	MEMBERSHIPS/DUES
733.79.XX	OTHER
733.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with marine terminal maintenance.
733.81.XX	WATER
733.82.XX	ELECTRICITY
733.83.XX	SEWER
733.84.XX	STEAM
733.85.XX	SURFACE WATER TAX
733.86.XX	GARBAGE COLLECTION
733.87.XX	NATURAL GAS/PROPANE/OIL
733.88.XX	TELECOMMUNICATIONS
733.89.XX	OTHER
733.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the maintenance of the marine terminal.
733.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

735.XX GENERAL AND ADMINISTRATIVE: Expenses which are not chargeable directly to a particular operating function or to other accounts.

735.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED): Costs incurred for General and Administrative costs allocated in connection with marine terminal operations.

735.10.XX RESERVED (use 735.00)

735.20.XX RESERVED (use 735.00)

735.30.XX RESERVED (use 735.00)

735.40.XX RESERVED (use 735.00)

735.50.XX RESERVED (use 735.00)

735.60.XX RESERVED (use 735.00)

735.70.XX RESERVED (use 735.00)

735.80.XX RESERVED (use 735.00)

735.90.XX RESERVED (use 735.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

737.XX DEPRECIATION: Portion of the cost of a capital asset which is charged as an expense during a particular period.

737.00.XX DEPRECIATION: Costs of depreciation expense, for all classes of depreciable property, incurred in connection with marine terminal operations.

737.10.XX RESERVED (use 737.00)

737.20.XX RESERVED (use 737.00)

737.30.XX RESERVED (use 737.00)

737.40.XX RESERVED (use 737.00)

737.50.XX RESERVED (use 737.00)

737.60.XX RESERVED (use 737.00)

737.70.XX RESERVED (use 737.00)

737.80.XX RESERVED (use 737.00)

737.90.XX RESERVED (use 737.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

739.XX OTHER: Expenses incurred from other uses not otherwise included in accounts 731 thru 738.

739.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, not otherwise defined in the marine terminal, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

739.11.XX REGULAR (Straight-Pay)

739.12.XX OVERTIME

739.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the marine terminal. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

739.21.XX SOCIAL SECURITY (FICA)

739.22.XX WORKERS' COMPENSATION (L&I)

739.23.XX UNEMPLOYMENT COMPENSATION

739.24.XX PENSION (PERS/LEOFF)

739.25.XX INSURANCE (health, life, disability)

739.26.XX LEAVE (vacation, sick, etc.)

739.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services which are not applicable to a particular function of the marine terminal.

739.31.XX LEGAL

739.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the marine terminal functions.

739.41.XX OFFICE/COMPUTER

739.42.XX JANITORIAL

739.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

739.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment, not otherwise defined in the marine terminal functions.
739.60.XX	FACILITY RENTALS: Costs incurred for rented facilities, not otherwise defined in the marine terminal functions.
739.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred, not otherwise defined in the marine terminal functions.
739.71.XX	RESERVED
739.72.XX	TRAVEL
739.73.XX	INSURANCE
739.74.XX	ADVERTISING
739.75.XX	MEMBERSHIPS/DUES
739.79.XX	OTHER
739.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed, not otherwise defined in the marine terminal functions.
739.81.XX	WATER
739.82.XX	ELECTRICITY
739.83.XX	SEWER
739.84.XX	STEAM
739.85.XX	SURFACE WATER TAX
739.86.XX	GARBAGE COLLECTION
739.87.XX	NATURAL GAS/PROPANE/OIL
739.88.XX	TELECOMMUNICATIONS
739.89.XX	OTHER
739.90.XX	OTHER: Costs incurred for other uses not otherwise defined in marine terminal functions.
739.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

76X.XX PROPERTY LEASE/RENTAL EXPENSES

761.XX OPERATING (DIRECT COSTS): Expenses which are directly related to the port's primary service activities.

761.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with property lease/rental operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

761.11.XX REGULAR (Straight-Pay)

761.12.XX OVERTIME

761.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

761.21.XX SOCIAL SECURITY (FICA)

761.22.XX WORKERS' COMPENSATION (L&I)

761.23.XX UNEMPLOYMENT COMPENSATION

761.24.XX PENSION (PERS/LEOFF)

761.25.XX INSURANCE (health, life, disability)

761.26.XX LEAVE (vacation, sick, etc.)

761.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services in connection with property lease/rental operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

761.31.XX LEGAL

761.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with property lease/rental operations (e.g., office, computer, janitorial, fuel, lubricants).

761.41.XX OFFICE/COMPUTER

761.42.XX JANITORIAL

761.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

761.50.XX	EQUIPMENT RENTALS: Cost of operating rented equipment used in connection with property lease/rental operations.
761.60.XX	FACILITY RENTALS: Cost of operating rented facilities used in connection with property lease/rental operations.
761.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with property lease/rental operations (promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).
761.71.XX	PROMOTIONAL HOSTING
761.72.XX	TRAVEL
761.73.XX	INSURANCE
761.74.XX	ADVERTISING
761.75.XX	MEMBERSHIPS/DUES
761.79.XX	OTHER
761.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with property lease/rental operations.
761.81.XX	WATER
761.82.XX	ELECTRICITY
761.83.XX	SEWER
761.84.XX	STEAM
761.85.XX	SURFACE WATER TAX
761.86.XX	GARBAGE COLLECTION
761.87.XX	NATURAL GAS/PROPANE/OIL
761.88.XX	TELECOMMUNICATIONS
761.89.XX	OTHER
761.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the operations of property lease and rentals.
761.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

763.XX MAINTENANCE: Expenses which are directly related to the port's upkeep of physical properties in condition for use or occupancy. **NOTE:** Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

763.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with property lease/rental maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

763.11.XX REGULAR (Straight-Pay)
763.12.XX OVERTIME

763.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

763.21.XX SOCIAL SECURITY (FICA)
763.22.XX WORKERS' COMPENSATION (L&I)
763.23.XX UNEMPLOYMENT COMPENSATION
763.24.XX PENSION (PERS/LEOFF)
763.25.XX INSURANCE (health, life, disability)
763.26.XX LEAVE (vacation, sick, etc.)

763.30.XX OUTSIDE SERVICES: Costs incurred for services in connection with property lease/rental maintenance (e.g., custodians, plumbers, electricians, legal).

763.31.XX LEGAL

763.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with property lease/rental maintenance (paint, small tools, lumber, office, computer, janitorial).

763.41.XX OFFICE/COMPUTER
763.42.XX JANITORIAL
763.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

763.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment used in connection with property lease/rental maintenance.
763.60.XX	FACILITY RENTALS: Costs incurred for rented facilities used in connection with property lease/rental maintenance.
763.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with property lease/rental maintenance.
763.71.XX	RESERVED
763.72.XX	TRAVEL
763.73.XX	INSURANCE
763.74.XX	ADVERTISING
763.75.XX	MEMBERSHIPS
763.79.XX	OTHER
763.70.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with property lease/rental maintenance.
763.81.XX	WATER
763.82.XX	ELECTRICITY
763.83.XX	SEWER
763.84.XX	STEAM
763.85.XX	SURFACE WATER TAX
763.86.XX	GARBAGE COLLECTION
763.87.XX	NATURAL GAS/PROPANE/OIL
763.88.XX	TELECOMMUNICATIONS
763.89.XX	OTHER
763.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the maintenance of property lease and rentals.
763.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

765.XX GENERAL AND ADMINISTRATIVE: Expenses which are not chargeable directly to a particular operating function or to other accounts.

765.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED): Costs incurred for General and Administrative costs allocated in connection with property lease/rental operations.

765.10.XX RESERVED (use 765.00)

765.20.XX RESERVED (use 765.00)

765.30.XX RESERVED (use 765.00)

765.40.XX RESERVED (use 765.00)

765.50.XX RESERVED (use 765.00)

765.60.XX RESERVED (use 765.00)

765.70.XX RESERVED (use 765.00)

765.80.XX RESERVED (use 765.00)

765.90.XX RESERVED (use 765.00)

BARS UNIFORM CHART OF ACCOUNTS
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Account Definitions

767.00 DEPRECIATION: Portion of the cost of a capital asset which is charged as an expense during a particular period.

767.00.XX DEPRECIATION: Costs of depreciation expense, for all classes of depreciable property, incurred in connection with property lease/rental operations.

767.10.XX RESERVED (use 767.00)

767.20.XX RESERVED (use 767.00)

767.30.XX RESERVED (use 767.00)

767.40.XX RESERVED (use 767.00)

767.50.XX RESERVED (use 767.00)

767.60.XX RESERVED (use 767.00)

767.70.XX RESERVED (use 767.00)

767.80.XX RESERVED (use 767.00)

767.90.XX RESERVED (use 767.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

769.XX OTHER: Expenses incurred from other uses not otherwise included in accounts 761 thru 768.

769.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees not otherwise defined in the property lease/rental, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

769.11.XX REGULAR (Straight-Pay)

769.12.XX OVERTIME

769.20.XX BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the property lease/rental. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

769.21.XX SOCIAL SECURITY (FICA)

769.22.XX WORKERS' COMPENSATION (L&I)

769.23.XX UNEMPLOYMENT COMPENSATION

769.24.XX PENSION (PERS/LEOFF)

769.25.XX INSURANCE (health, life, disability)

769.26.XX LEAVE (vacation, sick, etc.)

769.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services which are not applicable to a particular function of the property lease/rental.

769.31.XX LEGAL

769.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the property lease/rental functions.

769.41.XX OFFICE/COMPUTER

769.42.XX JANITORIAL

769.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

769.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment, not otherwise defined in the property lease/rental functions.
769.60.XX	FACILITY RENTALS: Costs incurred for rented facilities, not otherwise defined in the property lease/rental functions.
769.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred, not otherwise defined in the property lease/rental functions.
769.71.XX	RESERVED
769.72.XX	TRAVEL
769.73.XX	INSURANCE
769.74.XX	ADVERTISING
769.75.XX	MEMBERSHIPS/DUES
769.79.XX	OTHER
769.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed, not otherwise defined in the property lease/rental functions.
769.81.XX	WATER
769.82.XX	ELECTRICITY
769.83.XX	SEWER
769.84.XX	STEAM
769.85.XX	SURFACE WATER TAX
769.86.XX	GARBAGE COLLECTION
769.87.XX	NATURAL GAS/PROPANE/OIL
769.88.XX	TELECOMMUNICATIONS
769.89.XX	OTHER
769.90.XX	OTHER: Costs incurred for other uses not otherwise defined in property lease/rental functions.
769.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

77X.XX NONEXPENSES: Disbursements which do not meet expense criteria. Accounts in the 770 series are for districts using single-entry, cash-basis accounting.

771.XX DEBT REDEMPTION (PRINCIPAL): Use these accounts to record the redemption of debt principal. Use account 799.91 for interest properly categorized as an expense.

771.10 GENERAL OBLIGATION BONDS
771.20 REVENUE BONDS
771.30 CAPITAL LEASES/INSTALLMENT PURCHASES
771.40 ANTICIPATION NOTES/WARRANTS
771.50 OTHER NOTE/ CONTRACTS
771.60 INTERGOVERNMENTAL LOANS
771.90 OTHER DEBT REDEMPTIONS

772.XX INVESTMENT DISBURSEMENTS: Use these accounts to record amounts paid for investments.

772.10 PURCHASE OF INVESTMENTS

773.XX CAPITAL ASSETS DISBURSEMENTS

773.30 PURCHASE OF CAPITAL ASSETS

779.XX OTHER NONEXPENSES

BARS UNIFORM CHART OF ACCOUNTS

EXPENSE ACCOUNTS

Account Definitions

78X.XX GENERAL AND ADMINISTRATIVE (G&A) EXPENSES - The sum of accounts 781 and 783 should be shown separately in the operating expenses of the financial statements. Accounts 785 and 787 are combined with other operations.

781.XX OPERATING G&A (DIRECT COSTS): Expenses which are directly related to the port's primary service activities (e.g., Accounting/Finance Department).

781.10.XX SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with general and administrative operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

781.11.XX REGULAR (Straight-Pay)

781.12.XX OVERTIME

781.20.XX BENEFITS: Employee benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]-employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).

781.21.XX SOCIAL SECURITY (FICA)

781.22.XX WORKERS' COMPENSATION (L&I)

781.23.XX UNEMPLOYMENT COMPENSATION

781.24.XX PENSION (PERS/LEOFF)

781.25.XX INSURANCE (health, life, disability)

781.26.XX LEAVE (vacation, sick, etc.)

781.30.XX OUTSIDE SERVICES: Costs incurred for professional consultants and others for services in connection with general and administrative operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting, regional cooperative efforts).

781.31.XX LEGAL

781.40.XX SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with general and administrative operations (e.g., office, computer, janitorial, fuel, lubricants).

781.41.XX OFFICE/COMPUTER

781.42.XX JANITORIAL

781.43.XX FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

781.50.XX	EQUIPMENT RENTALS: Cost of operating rented equipment used in connection with general and administrative operations.
781.60.XX	FACILITY RENTALS: Cost of operating rented facilities used in connection with general and administrative operations.
781.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with general and administrative operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).
781.71.XX	PROMOTIONAL HOSTING
781.72.XX	TRAVEL
781.73.XX	INSURANCE
781.74.XX	ADVERTISING
781.75.XX	MEMBERSHIPS/DUES
781.79.XX	OTHER
781.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with general and administrative operations.
781.81.XX	WATER
781.82.XX	ELECTRICITY
781.83.XX	SEWER
781.84.XX	STEAM
781.85.XX	SURFACE WATER TAX
781.86.XX	GARBAGE COLLECTION
781.87.XX	NATURAL GAS/PROPANE/OIL
781.88.XX	TELECOMMUNICATIONS
781.89.XX	OTHER
781.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the general and administrative operations.
781.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
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Account Definitions

783.XX	MAINTENANCE G&A (DIRECT COSTS): Expenses which are directly related to the port's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.
783.10.XX	SALARIES/LABOR: Costs incurred for personal services rendered by employees, in connection with general and administrative maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).
783.11.XX	REGULAR (Straight-Pay)
783.12.XX	OVERTIME
783.20.XX	BENEFITS: Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]—employer portion, retirement, unemployment compensation, uniforms and clothing, workers' compensation, medical, leave accruals, and other postemployment benefits).
783.21.XX	SOCIAL SECURITY (FICA)
783.22.XX	WORKERS' COMPENSATION (L&I)
783.23.XX	UNEMPLOYMENT COMPENSATION
783.24.XX	PENSION (PERS/LEOFF)
783.25.XX	INSURANCE (health, life, disability)
783.26.XX	LEAVE (vacation, sick, etc.)
783.30.XX	OUTSIDE SERVICES: Costs incurred for services in connection with general and administrative maintenance (e.g., custodians, plumbers, electricians, legal).
783.31.XX	LEGAL
783.40.XX	SUPPLIES: Costs incurred for articles and commodities purchased for consumption in connection with general and administrative maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).
783.41.XX	OFFICE/COMPUTER
783.42.XX	JANITORIAL
783.43.XX	FUEL AND LUBRICANTS

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

783.50.XX	EQUIPMENT RENTALS: Costs incurred for rented equipment used in connection with general and administrative maintenance.
783.60.XX	FACILITY RENTALS: Costs incurred for rented facilities used in connection with general and administrative maintenance.
783.70.XX	GENERAL AND ADMINISTRATIVE (DIRECT): Costs incurred in connection with general and administrative maintenance.
783.71.XX	RESERVED
783.72.XX	TRAVEL
783.73.XX	INSURANCE
783.74.XX	ADVERTISING
783.75.XX	MEMBERSHIPS/DUES
783.79.XX	OTHER
783.80.XX	UTILITIES: Costs incurred for heat, light, power, and water consumed in connection with general and administrative maintenance.
783.81.XX	WATER
783.82.XX	ELECTRICITY
783.83.XX	SEWER
783.84.XX	STEAM
783.85.XX	SURFACE WATER TAX
783.86.XX	GARBAGE COLLECTION
783.87.XX	NATURAL GAS/PROPANE/OIL
783.88.XX	TELECOMMUNICATIONS
783.89.XX	OTHER
783.90.XX	OTHER: Costs incurred for other uses not otherwise defined in the general and administrative maintenance.
783.99.XX	RESERVED

BARS UNIFORM CHART OF ACCOUNTS
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Account Definitions

785.XX	GENERAL AND ADMINISTRATIVE: Expenses which are not chargeable directly to a particular operating function or to other accounts.
785.00.XX	GENERAL AND ADMINISTRATIVE (ALLOCATED): Costs incurred for General and Administrative expenses allocated in connection with operations (e.g., Airport, Marina, Marine Terminal, etc.). The credit balance in this account should equal the sum of accounts 715, 725, 735, and 765.
785.10.XX	RESERVED (use 785.00)
785.20.XX	RESERVED (use 785.00)
785.30.XX	RESERVED (use 785.00)
785.40.XX	RESERVED (use 785.00)
785.50.XX	RESERVED (use 785.00)
785.60.XX	RESERVED (use 785.00)
785.70.XX	RESERVED (use 785.00)
785.80.XX	RESERVED (use 785.00)
785.90.XX	RESERVED (use 785.00)

BARS UNIFORM CHART OF ACCOUNTS
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Account Definitions

787.XX	DEPRECIATION: Portion of the cost of a capital asset which is charged as an expense during a particular period.
787.00.XX	DEPRECIATION: Costs of depreciation expense, for all classes of depreciable property, incurred in connection with general and administrative operations.
787.10.XX	RESERVED (use 787.00)
787.20.XX	RESERVED (use 787.00)
787.30.XX	RESERVED (use 787.00)
787.40.XX	RESERVED (use 787.00)
787.50.XX	RESERVED (use 787.00)
787.60.XX	RESERVED (use 787.00)
787.70.XX	RESERVED (use 787.00)
787.80.XX	RESERVED (use 787.00)
787.90.XX	RESERVED (use 787.00)

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

789.XX OTHER: Expenses incurred from other uses not otherwise included in accounts 781 thru 788.

789.10.XX RESERVED

789.20.XX RESERVED

789.30.XX RESERVED

789.40.XX RESERVED

789.50.XX RESERVED

789.60.XX RESERVED

789.70.XX RESERVED

789.80.XX RESERVED

789.90.XX RESERVED

BARS UNIFORM CHART OF ACCOUNTS
EXPENSE ACCOUNTS
Account Definitions

79X.XX NONOPERATING EXPENSES

799.XX OTHER: Expenses incurred from other uses not otherwise included in accounts 791 thru 798.

799.10.XX RESERVED (use 799.90)

799.20.XX RESERVED (use 799.90)

799.30.XX RESERVED (use 799.90)

799.40.XX RESERVED (use 799.90)

799.50.XX RESERVED (use 799.90)

799.60.XX RESERVED (use 799.90)

799.70.XX RESERVED (use 799.90)

799.80.XX RESERVED (use 799.90)

799.90.XX OTHER: Costs incurred for other uses not otherwise defined in nonoperating functions.

799.91.XX INTEREST EXPENSE: Costs incurred in connection with debt issued or assumed (e.g., G.O. Bonds, Revenue Bonds)

799.92.XX ELECTION EXPENSE: Costs incurred in connection with elections of officials, and bond or other propositions submitted to the voters.

799.98.XX ENVIRONMENTAL EXPENSE: Costs incurred in connection with remedial environmental impacts. Nonremedial costs will be charged to the proper expense accounts.

799.99.XX RESERVED

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Chapter 1. General Accounting Procedures
Section 1. Principles

The following principles are basic rules of accounting and financial reporting for unclassified districts.

ACCOUNTING AND REPORTING CAPABILITIES

1. A governmental accounting system must make it possible to determine and demonstrate compliance with finance-related legal and contractual provisions.

FUND ACCOUNTING SYSTEMS

2. Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

TYPES OF FUNDS

3. Presented below is a system to classify all funds used by port districts. (The governmental funds, since not used by the districts, are omitted from the list.)

Proprietary Funds

Enterprise Funds – an enterprise fund may be used to report any activity for which a fee is charged to external users for goods or services. An enterprise fund is also required for any activity whose principal revenue sources meet any of the following criteria:

- Debt backed solely by fees and charges. If issued debt is backed solely by fees and charges, an enterprise fund must be used to account for the activity.
- Legal requirement to recover cost. An enterprise fund must be used if the cost of providing services for an activity (including capital costs such as depreciation or debt service) must legally be recovered through fees or charges.
- Policy decision to recover cost. It is necessary to use an enterprise fund if the government's policy is to establish activity fees or charges designed to recover the cost of providing services (including capital costs such as depreciation or debt service).

NOTE: Separate funds are not required even though bond covenants may stipulate a "bond reserve fund," "bond construction fund," etc. The bond covenant use of the term "fund" is not the same as the use in governmental accounting. For bond covenants, "fund" means only a segregation or separate account, not a self-balancing set of accounts.

Internal Service Funds - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governments, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include (a) private-purpose trust funds, (b) pension (and other employee benefit) trust funds, (c) investment trust funds, and (d) agency funds.

NUMBER OF FUNDS

4. Districts should establish and maintain the minimum number of funds consistent with legal and operating requirements. Unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

Note that judicious use of subsidiary coding can often satisfy legislative intent.

BUDGETING

5. An annual budget must be adopted by every district.

COMMON TERMINOLOGY AND CLASSIFICATION

6. A common terminology and classification should be used consistently throughout the budgeting, accounting, and financial reporting.

ANNUAL FINANCIAL REPORTS

7. Annual reporting requirements are prescribed by the State Auditor's Office. See Part 4 for details.

INTRODUCTION

This section contains the internal control standards to be followed by local governments in establishing and maintaining systems of internal control. Internal control systems are to reasonably ensure that the following objectives are achieved:

- ▼ Expenses and commitments comply with applicable law.
- ▼ Assets are safeguarded against waste, loss, unauthorized use, and misappropriation.
- ▼ Transactions are recorded properly so that reliable financial and statistical reports can be prepared and accountability for assets is maintained.

The following concept of internal control is useful in understanding and applying the internal control standards set forth and discussed on succeeding pages:

An internal control system consists of the plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

The ultimate responsibility for good internal controls rests with management. Internal controls should not be looked upon as separate, specialized systems. Rather, they should be recognized as an integral part of each system that management uses to regulate and guide its operations. In order to ensure the proper conduct of government business, management must periodically review its internal control systems. This review should be sufficient in scope to provide the answers to several basic questions:

- Are the systems we have in place adequate to manage and account for our resources, meet our goals and objectives, and insure compliance with state and federal regulations?
- Is there an audit trail from our reports to our source documents or will we have to rely on someone to “remember” the facts?
- Are all our departments properly using the systems we have in place and are they complying with our internal policies and procedures?
- Have we strengthened our system of internal control by segregating duties among our employees to provide crosschecks and by providing for the physical security of our assets (e.g., official prenumbered receipts, locking cash drawers, regular inventories, etc.) to the maximum extent practicable?

These are the broad questions the auditor will also seek to answer through the course of his/her audit. If you are satisfied with the results of the review, then there is a much greater likelihood that the auditor will also be satisfied. If you identify problem areas, then you have an opportunity to discuss them with the auditor and to correct them before he/she is obliged to comment on the problems in the audit.

The following internal control standards, based on those established by the U.S. General Accounting Office, define the minimum level of quality acceptable for internal control systems in operation and constitute the criteria against which systems will be evaluated. These internal control standards apply to all operations and administrative functions but are not intended to limit or interfere with duly granted authority related to development of legislation, rulemaking, or other discretionary policymaking in an entity.

INTERNAL CONTROL STRUCTURE

Introduction

These internal controls policies are based on the 1994 report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and standards adopted by the American Institute of Certified Public Accountants and the federal Office of Management and Budget.

Internal control is defined in the COSO report as follows:

Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

What does this mean for local entities?

Internal control is a management process for keeping an entity on course in achieving its business objectives, as adopted by the governing body. This management control system should ensure that resources are guarded against waste, loss and misuse; that reliable data is obtained, maintained, and fairly disclosed in financial statement and other reports; and resource use is consistent with laws, regulations and policies.

Basic internal control requirements

Each entity is responsible for establishing and maintaining an effective system of internal control throughout their government.

An internal control system should provide *reasonable assurance* that an entity will accomplish its objectives. The concept of reasonable assurance recognizes that the cost of an internal control activity should not exceed the benefit derived from it. Reasonable assurance equates to a satisfactory level of confidence given considerations of costs, benefits, and risks.

The entity's management must identify and analyze the own risks to determine how those risks should be managed. Management defines the level of risk that the entity is willing to accept and strives to maintain risks within those levels.

Each entity should adopt methods to assess risk and review control activities. The methods developed should address each entity's own specific needs.

Components of internal controls

The five components of good internal controls within a management control system are:

1. **Control environment** - The control environment sets the tone of an entity. It influences the control consciousness of its people and it is the foundations for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values, and competence of the entity's staff; management's philosophy and operating style; the way management assigns authority and responsibility; the way management organizes and develops its staff; and the attention and direction provided by the board.

2. **Risk Assessment** - Every entity faces a variety of risks from external and internal sources, all of which must be assessed. Risk assessment is the identification and analysis of relevant risks to achieving the objectives and forms a basis for determining how risks should be managed. Because economic, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change.
3. **Control Activities** - Control activities are the internal policies and procedures that help ensure management directives are carried out. They help ensure necessary actions are taken to address risks to achieving the government's objectives. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, review of operating performance, security of assets and segregation of duties.
4. **Information and Communication** - Pertinent information must be identified, captured, and communicated in a form and time frame that enables people to carry out their responsibilities. Information systems produce reports containing operational, financial, and compliance related information, making it possible to run and control the entity.

Effective communication is also essential with external parties, such as taxpayers, vendors, legislators and other interested parties.

5. **Monitoring** - Management systems and internal activities need to be monitored to assess the quality of their performance over time. Assessment is accomplished through ongoing monitoring activities, separate evaluations, or a combination of the two. Ongoing monitoring occurs in the course of operations, including regular management and supervisory activities and other action personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Deficiencies should be reported upstream, with serious matters reported to top management.

Answers to some common questions about internal control

What is a risk assessment?

A risk assessment is an ongoing process to identify, analyze, and manage risk. An entity needs a plan to identify both external and internal risks. The plan will help management understand how those risks affect their activities, assess their significance, manage their effect and provide for continuous monitoring. The following are some examples of external and internal risks:

- External risks arise from activities outside the entity. Technological developments, changing public expectations, legislative directives, natural catastrophes and economic changes all have the potential for creating external risks in a entity.
- Internal risks are less predictable and arise from activities inside the entity. Disruption of the computer systems or telephone systems causes obvious operational problems. When new managers are hired, changes in management style can affect internal control objectives.

How do you identify risks?

Identification of risks can start from existing systems. The budget process, audits, strategic planning, and other chapters included in this manual all provide opportunities for managers to conduct quantitative and qualitative reviews and to identify and prioritize. More informal opportunities include management planning meetings, meetings with auditor, and everyday interaction with staff.

More important than the specific method used to identify risks is management's careful consideration of factors unique to the entity. Some key factors, such as an entity's past experience in failing to meet objectives, staff quality, statutory framework, or the significance and complexity of activities in relation to the entity's mission, should receive management's careful consideration.

By analyzing organizational activities, managers apply risk assessment to functions. Successfully managing risk at the activity level is vital to maintaining an acceptable level of risk for the organization.

What is risk analysis?

Risk analysis involves a careful, rational process of estimating the significance of a risk, assessing the likelihood of its occurrence and considering what actions and controls need to be taken to manage it. Risk analysis also involves estimating the cost to the entity if something goes wrong. That analysis is based on the entity's assumptions about the risk and costs associated with reducing it. Sometimes an actual risk may appear to require one set of actions, but the perceived risk coupled with media reaction to that risk, requires a more expensive set of actions.

It is also important to recognize the distinction between risk assessment (a part of a management control system) and actually managing risk (part of an organization's operations). Limitations on resources will define the level to which risks can be managed.

How do you control or minimize risk?

Control of risk starts with management deciding on the actions necessary to reduce the potential occurrence and significance and the monitoring conditions to remain aware of changing circumstances. Management tools for an early warning system include information systems and ensuring appropriate data is captured, processed, and reported.

If an entity builds its components of a management control system into its planning efforts as well as its daily activities, it is more likely to avoid unnecessary costs; make quick responses as needs arise; and adapt to decreasing resources and changing political and economic climates.

Do control activities increase staffing requirements?

Although control activity procedures are not intended to increase staffing levels, acceptable procedures are to be established and followed which may require changes in existing workloads and/or additional staff position(s). However, a periodic thorough internal review of control activities may identify policies and procedures that are no longer required. It is recognized that some small to medium entities may not be able to institute internal controls on the same level as larger, more complex entities. In those cases where staffing may prohibit or restrict the appropriate segregation of duties, management must either have more active oversight of operations or utilize personnel from other organizational units to the extent possible as compensating controls.

More about control activities

The control activities presented in this section are intended to provide management and other staff with an overview, the use and potential limitations of control activities to manage the risk of achieving the entity's objectives.

Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to the achievement of an entity's objectives. Control activities occur throughout the entity at all levels and in all functions.

Control activities are actions taken to minimize risk. The need for a control activity is established in the risk assessment process. When the assessment has identified a significant risk to the achievement of an objective, a corresponding control activity should be determined. If control activities are in place for each significant operation and if management makes sure those activities are carried out properly, staff can be reasonably confident the management control system will provide the necessary assurances.

Control activities and procedures should be considered to ensure the entity is in compliance with the BARS Manual, the Revised Code of Washington, the Code of Federal Regulations, the Washington Administrative Code and other applicable regulatory policies. Generally, those activities and procedures may be categorized into one of the following areas and completed by personnel at various levels:

- **Top-level performance reviews** - Performance reviews should be made of actual performance versus budgets, forecasts, and performance in prior periods. Major initiatives should be tracked and management actions taken to analyze and follow up where appropriate.
- **Direct functional or activity management reviews** - Performance reviews should be made of specific functions or activities. The reviews may focus on compliance, financial, or operational issues.
- **Informational processing** - A variety of control activities should be performed to check the accuracy and completeness of information as well as the authorization of transactions. Development of new systems, and changes to existing ones should be controlled. Additionally, access to programs and data should be restricted.
- **Physical controls** - Equipment, inventories, cash and other assets should be secured physically and periodically counted and compared with amounts shown on control records.
- **Performance indicators** - Certain operating results can be anticipated. By investigating unexpected results or unusual trends, circumstances that jeopardize the achievement of objectives can be identified.
- **Segregation of duties** - Duties are divided, or segregated, among different people to reduce the risk of error or inappropriate actions. For example, responsibilities for authorizing transactions, recording them and handling the related assets should be separated.

What are some potential limitations of control activities?

Control activities, no matter how well designed and executed, can provide only reasonable assurance regarding achievement of objectives. The likelihood of achievement is affected by limitations inherent in all control systems. These limitations include the following:

- **Judgment** - The effectiveness of controls will be limited by the fact that decisions must be made with human judgment in the time available, based on information at hand, and under the pressures to conduct business.
- **Breakdowns** - Even if control activities are well designed, they can break down. Personnel may misunderstand instructions or simply make mistakes. Errors may also stem from new technology and the complexity of computerized information systems.
- **Management override** - Even in effectively controlled organizations, high level personnel may be able to override prescribed policies or procedures for personal gain or advantage. This should not be confused with management intervention, which represents management actions to depart from prescribed policies or procedures for legitimate purposes.
- **Collusion** - between two or more individuals can result in control failures. Individuals acting collectively often can alter financial data or other management information in a manner that cannot be identified by the control system.
- **Cost vs. benefit** - In determining whether a particular control activity should be established, the risk of failure and the potential effect must be considered along with the cost of establishing the control. Excessive control is costly and counterproductive. Too little control presents undue risk. Entities should make a conscious effort to strike an appropriate balance.

Chapter 1. General Accounting Procedures
Section 3. Electronic Funds Transfer

Electronic Funds Transfer (EFT) is the deposit to or disbursement from a bank account by means of wire or other electronic communication. RCW 39.58.150 governs the circumstances under which electronic fund transfers may be used. The following procedures are necessary for proper accounting:

1. Receiving money by the EFT:

- a. Prepare a treasurer's receipt upon receiving a notice from the payor that the money has been transferred to the district's bank account. Do not wait for the bank to notify you of receipt of the money. However, you may want to contact your bank to confirm the expected amount has arrived.

Enter the following information on the receipt:

Date of receipt.
Name of person, company or agency transferring money into the district's account.
BARS revenue account number.
Notation that funds were received by the EFT.

- b. A file must be maintained of those payors who have agreed in writing to transfer money to the district's account electronically.

2. Disbursing money by the EFT:

- a. Prepare a record which shows:

Chronological number of the EFT payment.
Time and date of disbursement.
Payee - name, address and account number.
Amount of disbursement.
Purpose of disbursement.
BARS expense account number.
Disbursing bank's unique transaction identification number, if available.
Receiving bank or financial institution's identification number.

- b. A file must be maintained of authorizations signed by payees who have agreed to have money transferred to accounts electronically.
- c. The treasurer should notify the disbursing bank that access to files, records and documentation of all EFT transactions involving the district should be provided to the State Auditor when required for the audit.

1. Accounting For State Unemployment Tax Or Claims (RCW 50.44.030)

Method A Create an internal service fund for unemployment-unemployment compensation fund. The purpose of this fund is to receive periodic cash contributions from operating funds. The amount of these cash contributions will depend on the estimate of future unemployment claims. The estimates should be adjusted periodically, based on an experience factor. There may be different rates for departments and funds within the same government. The periodic cash contributions from operating funds will be charged to the functional expense accounts in the operating funds in the same manner as premium payments paid to the Department of Employment Security (DES). Payments to the DES must be made from the unemployment compensation fund. Interest earnings on investment of the contributions may be used for the benefit of the internal service fund (thereby reducing charges to the operating funds) per RCW 35.39.034. A resolution must govern this choice.

Method B The district may participate with other local governments in an unemployment pool or cooperative as provided for in RCW 39.34.030. If you participate in such a cooperative, the contributions from your port should be charged as expenses functionally according to the applicable chart of accounts. In this case, the pool or cooperative will pay the billed amounts to the DES.

Rates charged to the participants should be adjusted periodically based on the experience factor of each participant.

2. Deferred Compensation Plans -- Internal Revenue Code (IRC) -- Section 457

RCW 41.50.770 authorizes all political subdivisions to defer income for all officials and employees. This statute also allows political subdivisions to enter into agreements with certain institutions, such as banks, savings and loan associations and insurance companies, to establish deferred compensation plans for the benefit of their employees. These plans must be in conformity with the requirements of the IRC, Section 457.

Deferred compensation plans permit employees to accept less than the full amount of salary earned thus reducing their current federal income tax liability. The amount by which the salary is reduced is invested by the employer and upon retirement, disability, termination, unforeseen emergency, or death may be withdrawn by the employees or their beneficiaries.

The plan must be established correctly and administered properly so that the Internal Revenue Service (IRS) does not rule that the plan is not in conformity with the requirements of the IRC, Section 457.

Because of the many plans available, it is strongly recommended that any local government which intends to establish a deferred compensation plan seek legal counsel to determine conformance with the IRC, Section 457, effective August 20, 1996¹ and obtain approval of the chosen plan by the district.

¹ The deferred compensation plan was revised by the H.R.10 which was included in the Economic Growth and Tax Relief Reconciliation Act of 2001 and signed into law on June 7, 2001.

Caution should be exercised in implementing a plan, not only to protect the employer's legal liability, but also to prevent undue administrative complexities. No one can identify all problem areas of deferred compensation plans and their administration, as many problems may surface as a result of choosing a particular carrier, product or administrative system. Some major administrative requirements are as follows:

a. Make Written Agreements With Plan Administrator

All deferred compensation plans should provide for written agreements which clearly define the duties and responsibilities of the employer and the administrator.

b. Keep An Employee File For Each Employee

A file to keep a deferred compensation record for each participating employee is necessary. Most carriers will provide the forms and basic accounting information for the employer, but the employer is responsible for maintenance of the files. However, if the administering company provides such a record to the district, a copy of that record may be maintained in lieu of the district creating such a record.

The participating employees must complete and sign joinder agreements stipulating the amount of their gross salaries or wages to be deferred. The district should also maintain a written agreement which details any responsibility of the employer for contributions, fees, charges, earnings, losses and withdrawals.

c. Withdrawals

The procedures for withdrawals should be clearly defined and the employer should be very careful in accepting any employee requests for amounts to be withdrawn from accumulated deferred compensation assets for unforeseeable emergencies, as any employee withdrawal granted which does not qualify under the IRC, Section 457 could cause the entire deferred compensation plan for all employees to be considered in violation and invalid by the IRS.

Normally, all withdrawals as a result of retirement, disability, termination, unforeseen emergency or death, will be paid to the employer by the bank, credit union, or other institution (the agent) with which the employer (the principal) has the agreement.

In such cases, the employer will receipt for the payment referred to above, deduct the appropriate amount for federal income tax withholding and disburse the remaining amount to the employee, former employee or beneficiary as applicable. The employer will then remit the federal income tax withheld to the IRS or to the official depository as it presently is required to do. The employer will issue W-2 forms to the participants in the plan who have received payments of deferred income.

The W-2 will show the gross payment made to the participant or beneficiary and any deductions made.

However, the IRS has approved some plans whereby the administering company acts as agent for payments to the employees, issuance of W-2 forms and remittances to the IRS. Such IRS approved plans, which are still in conformance with the requirements of the IRC, Section 457, will be permitted.

d. Maximum Contribution

Beginning January 2002, employees may defer the less of either 50 percent of their gross annual compensation (reduced by other tax-deferred retirement contributions and pre-tax salary reductions) or \$11,000 annually. The new contribution limit will increase by \$1,000 a year until it reaches \$15,000 in 2006. After 2006, the annual contribution limit will be indexed to inflation in \$500 increments.

Employees age 50 or older can invest an additional \$1,000. This additional contribution amount will increase by \$1,000 every year until it reaches \$5,000 in 2006. After 2006, the annual contribution limit will be indexed to inflation in \$500 increments.

During the last three years prior to retirement, the employee may use the catch-up limitation which starting January 2002 is \$22,000 annually and will be increased by \$2,000 a year until it reaches \$30,000 in 2006.

e. Budget Salaries And Wages In Year Earned

All districts should budget the gross salaries and wages including the deferred compensation amounts as expenses of the year in which the salaries or wages are earned. No budget is required for earnings on these assets, administrative fees or employee withdraws accumulated deferred compensation assets.

f. Establish Plan As Pension (And Other Employee Benefit) Trust Fund (If Applicable)

All IRC Section 457 plans have to be held in a trust for the exclusive benefit of participants and their beneficiaries.

Under the new law, the local governments do not own either the amounts deferred by employee or related income on those amounts. The districts which administer the deferred compensation plans by themselves should record them in pension (and other employee benefit) trust funds.

The districts should keep detailed accounting records of the deferred compensation plan. However, if those records can be provided by the administrator of the plan, no duplication is necessary.

Petty cash includes change funds, working funds, revolving, advance travel, stamp funds, check cashing funds, etc.; in other words, any sum of money or other resources set aside for such specific purposes as minor disbursements, making change, and similar uses (i.e., imprest fund). If the petty cash is disbursed, it is periodically restored to its original amount by a warrant. The amount of the warrant should equal the aggregate of the disbursements.

The following are minimum requirements for the establishment and operation of petty cash accounts.

1. The port commission must authorize cash account by a resolution. This applies also to all subsequent increases or decreases in the imprest amount.
2. The port commission or its delegate must appoint one custodian of each petty cash account who should be independent of invoice processing, check signing, general accounting and cash receipts functions. As part of the appointment, the custodian should render a receipt for the imprest amount to the treasurer or district's auditor from whom he/she receives it.

When it is not practical to hire additional personnel or to reallocate these duties among existing personnel, the legislative body must establish some mechanism of review that accomplishes the objectives of the segregation of duties. For example, periodic monitoring of cash receipts and/or independent performance of the bank reconciliation add controls when complete segregation of duties is not possible.

3. The port commission or its delegate should assure that the amount in petty cash is periodically counted and reconciled by someone other than the custodian.
4. The custodian should assure the petty cash is kept in a safe place.
5. The imprest amount may be established by treasurer's check or by warrant. If established by warrant the transaction is a nonbudgetary item.
6. If petty cash is disbursed, it must be replenished at least monthly by warrant or check payable to the custodian. No other receipts may be deposited to the petty cash account.

The replenishment should be subject to the same review and approval as processed invoices. The replenishment must be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the money, stamps, etc. The receipts should be perforated or canceled by some other appropriate means to prevent reuse. At the time of replenishment, the custodian should ensure that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the authorized imprest amount.

7. The imprest amount of petty cash should not exceed one month's salary or the surety bond covering the custodian.
8. The fund may not be used for personal cash advances even if secured by check or other IOUs.
9. Petty cash should always be replenished at the end of the fiscal year so that expenses will be reflected in the proper accounting period.
10. Whenever an individual's appointment as custodian is terminated, the fund must be replenished and the imprest amount turned over to the treasurer or other disbursing officer.

Chapter 1. General Accounting Procedures
Section 6. Voucher Certification and Approval (Chapter 42.24 RCW)

All claims against a district must be preaudited by the district's auditing officer or his/her delegate. In addition, all claims must be certified by the auditing officer. This certification may be made on each individual claim voucher or, subject to the acceptance and approval of the port commission, a blanket voucher certification may be used so long as it indicates the particular vouchers so certified. The use of a blanket certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified. The certification must be signed and dated by the auditing officer or his/her delegate. For all claims, except expense reimbursement claims certified by officers or employees, the certification must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the (district), and that I am authorized to authenticate and certify to said claim.

The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the (district), and that I am authorized to certify to said claim.

The certification by the auditing officer in no manner relieves members of the port commission from the responsibility and liability for each voucher approved. It is the port commission responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the governing body member and the district.

To indicate the port commission approval for payment of claim vouchers and payroll, the following should be entered in the minutes:

The following voucher/warrants are approved for payment:

(Funds)			Total
Voucher (warrant) numbers:	_____	through _____	\$ _____
Payroll warrant numbers:	_____	through _____	\$ _____

If the port commission authorizes the procedure, districts may issue warrants before the commissioners approve claims. To do this the district must enact the following policies and procedures (required in Chapter 42.24 RCW):

- (1) The auditing officer and the officer designated to sign the checks or warrants must have an official bond. The amount should be determined by the port commission but cannot be less than fifty thousand dollars (RCW 42.24.180);
- (2) The port commission should adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;
- (3) The port commission must review and approve the claims paid at its next regularly scheduled public meeting; and
- (4) If the port commission disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants must recognize these claims as receivables of the district and pursue collection diligently until the amounts are either collected or the port commission is satisfied and approves the claims.

The port commission may stipulate that certain kinds or amounts of claims should not be paid before the legislative body has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims.

The original copy of all vouchers should be filed with the auditing officer of the district. The detailed accounts to which the expenses are to be posted must be clearly designated. Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse.

Districts that do not issue their own warrants may send original vouchers or other supporting documentation (e.g., a listing of approved vouchers, etc.) to the county auditor.

INVESTING REQUIREMENTS

Each municipal corporation should, by action of its governing body, authorize investment of any moneys which are not required for immediate expense and which are in the custody of the county treasurer or other municipal corporation treasurer.

If the governing body has not taken any action pertaining to the investment of any such moneys, the county finance committee should direct the county treasurer to invest, to the maximum prudent extent, such moneys or any portion thereof in any of the securities mentioned below (RCW 36.29.020).

INVESTMENT VEHICLES

All local governments (counties, cities, towns, special purpose districts, political subdivisions, municipal corporations, or quasi-municipal corporations, including any public corporation, authority, or other instrumentality created by such an entity) in Washington State are empowered by statute to invest moneys, which are eligible for investment¹, in the following types of securities. (The enabling legislation is contained in Chapter 39.59 RCW.²)

- Certificates, notes, bonds or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States:
 - Treasury bills
 - Treasury bonds
 - Government National Mortgage Association bonds.
 - Small Business Administration bonds (see caution 3). (RCW 36.29.020, 43.84.080)
- State, county, municipal, or school district bonds, or warrants of taxing districts of the state. Such bonds and warrants should be only those found to be within the limit of indebtedness prescribed by law for the taxing district issuing them and to be general obligations. (RCW 36.29.020, 43.84.080)
- Motor vehicle fund warrants when authorized by agreement between the state treasurer and the Department of Transportation requiring repayment of invested funds from any moneys in the motor vehicle fund available for state highway construction. (RCW 36.29.020, 43.84.080)
- Federal Home Loan Bank notes and bonds (RCW 36.29.020, 43.84.080)
- Federal Land Bank bonds. (RCW 36.29.020, 43.84.080)
- Federal National Mortgage Association notes, debentures and guaranteed certificates of participation. (RCW 36.29.020, 43.84.080)

¹ Not all available money is eligible for investment as allowed by Chapter 39.59 RCW. The Attorney General (AG) Opinion No. 132 (1961-62) states that the county general (current expense) fund's money must be in the form of cash or "that which is redeemable in cash upon demand, as a matter of fixed right." The AG Memorandum to the State Auditor dated March 20, 1989, reaffirms this opinion. Warrants are not demand instruments. They are not considered to be the equivalent of cash, redeemable upon demand, as matter of right, therefore county general (current expense) fund's money cannot be invested in them.

² Chapter 39.59 RCW expands the investment authority of local governments by allowing them to invest in "any investments authorized by law for the treasurer of the state of Washington or any local government of the state of Washington other than a metropolitan municipal corporation . . ." (RCW 39.59.020(4)). The AG memorandum to the State Auditor dated November 30, 1989, clarifies the scope of this increased authority. It states that if a certain type of investment authority did not exist for local governments prior to the enactment of RCW 39.59.020, but was authorized by section (4) of that statute, the restrictions contained in sections (1), (2), and (3) of the statute do not apply to those newly granted powers of investment. Therefore, local governments may choose the least restrictive investments from the above list of authorized investments. (See caution 4.)

- Obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system.
 - Federal Farm Credit Banks consolidated system-wide bonds and discount notes.
 - Federal Home Loan Mortgage Corporation bonds and discount notes.
 - Student Loan Marketing Association bonds and discount notes.
 - Export-Import Bank bonds.
 - Maritime Administration bonds. (RCW 36.29.020, 43.84.080)
- Bankers' acceptances purchased on the secondary market. (RCW 36.29.020, 43.84.080)
- Negotiable certificates of deposit of any national or state commercial or mutual savings bank or savings and loan association doing business with the United States. The investment should meet the criteria set by the State Investment Board. (RCW 36.29.020, 43.84.080)
- Commercial paper. The investment should meet the criteria set by the State Investment Board. (RCW 36.29.020, 43.84.080)
- Washington State Housing Finance Commission bonds. (RCW 43.180.190)
- Farm ownership and soil and water conservation loans fully guaranteed as to principal and interest under the Bankhead-Jones Farm Tenant Act and the Washington Land Bank. (RCW 43.33A.080)
- Bonds of the state of Washington and any local government in the state of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency. (RCW 39.59.020(1))
- General obligation bonds of a state other than the state of Washington and general obligation bonds of a local government of a state other than the state of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency. (RCW 39.59.020(2))
- Registered warrants of a local government in the same county as the government making the investment, subject to compliance with RCW 39.56.030. (RCW 39.59.020(3))
- Any investments (e.g., certificates of participation) authorized by law for the treasurer of the state of Washington or any local government of the state of Washington other than a metropolitan municipal corporation but, except as provided in Chapter 39.58 RCW, such investments should not include certificates of deposit (CD) of banks or bank branches not located in the state of Washington. (See caution 4.) (RCW 39.59.020(4))
- Revenue bonds and notes issued by port districts under the authority of Chapter 54.34 RCW. (RCW 53.34.150)
- Selected mutual funds and money market funds. They are allowable investments only for money subject to federal arbitrage statutes and regulations (i.e., IRC Section 148):
 - Mutual funds with portfolios consisting of only United States government bonds or United States government guaranteed bonds issued by federal agencies with average maturities of less than four years, or bonds described in RCW 39.59.020 (1) or (2), except that those bonds should have one of the four highest credit ratings of a nationally recognized rating agency;

- Money market funds with portfolios consisting of only bonds of states and local governments or other issuers authorized by law for investment by local governments, which bonds have at the time of investment one of the two highest credit ratings of a nationally recognized rating agency;
- Money market funds with portfolios consisting of securities otherwise authorized by law for investment by local governments. (See caution 4.) (RCW 39.59.030)
- Notes or bonds secured by mortgage (insured or with a commitment to insure in obligations of national mortgage associations) by the Federal Housing Administrator. (RCW 39.60.010)
- Debentures issued by the Federal Housing Administrator. (RCW 39.60.010)
- Bonds of the Home Owner's Loan Corporation or any other corporation which is or may be created by the United States as a governmental agency or instrumentality. (RCW 39.60.010)
- Notes, bonds, or debentures of savings and loan associations, banks, mutual savings banks, savings and loan service corporations operating with approval of the Federal Home Loan Bank, and corporate mortgage companies that are rated not less than "A" by a nationally recognized rating agency, or are insured or guaranteed and backed as required by the statute. (RCW 39.60.050)
- Bonds or warrants of the state of Washington. (RCW 35.39.030)
- General obligation or utility revenue bonds or warrants of any city or town in the state of Washington. (RCW 35.39.030)
- Bonds or warrants (RCW 35.39.030) or installment notes (RCW 35.45.150) of a city's or town's own local improvement district which are within the protection of the local improvement guaranty fund law.
- Interim financing warrants of a local improvement district which is within the protection of the local improvement guaranty fund law for the benefit of the general (current expense) fund. (RCW 35.39.034)
- Bonds or other obligations issued by a metropolitan municipal corporation pursuant to Chapter 35.58 RCW. (RCW 35.58.510)
- Outstanding warrants of the county tax refund fund in the same county as the government making the investment subject to the provisions of RCW 36.33.070.
- Bonds or other obligations issued by a housing authority pursuant to the housing authorities law of this state or issued by any public housing authority or agency in the United States. (RCW 35.82.220)

NOTE: Per an Attorney General Memorandum dated February 8, 1991, cities and towns have the authority to invest in out-of-state CDS via RCW 35.39.030(6) and RCW 43.84.080(6). Restrictions on investments contained in RCW 39.59.020 do not apply to investment authority existing prior to the enactment of that statute (1988). Accordingly, local governments other than cities or towns would be restricted to investment in in-state CDS since they did not possess this authority prior to the enactment of RCW 39.59.020(4).

In addition to the securities listed above, municipalities may invest excess moneys in the Washington State Treasurer's Investment Pool (Chapter 43.250 RCW). The governing body of the municipality must authorize participation by passing an ordinance or resolution.

PUBLIC DEPOSITORIES

Except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, no public funds may be deposited in demand or investment deposits except in a qualified public depository or as otherwise permitted by statute. Total deposits of a treasurer in a depository may not exceed that depository's net worth (RCW 39.58.130).

A financial institution receives designation as a public depository from the Public Deposit Protection Commission (PDPC). This designation is readily verified, either from the institution (a letter of authority from the Commission) or from the PDPC. The PDPC publishes a quarterly list of each qualified depository and its net worth. This list will be furnished upon request by writing to:

Public Deposit Protection Commission
Office of State Treasurer
General Administration Building
PO Box 40206
Olympia, WA 98504-0206

CAUTIONS

1. Investments Allowed By Debt Covenants May Be More Restrictive Than Statutes

The debt covenants contained in bond indentures and the provisions of other agreements may be more restrictive than the statutes about the types of investments permitted for certain moneys.

2. Avoid Conflicts With The Laws Of Other States

Some corporations have sold instruments in Washington which require the issuer or holder to comply with laws of other states. It is questionable whether it is prudent or appropriate for a public treasurer in Washington to enter into such agreements.

3. SBA Loans Are Inherently Risky

In order for a business to qualify for a Small Business Administration (SBA) loan, it must usually have been unable to obtain credit at a financial institution. Hence, SBA obligations backed by SBA loans have weaker underlying credit than the standards in the money market. Although these loans are guaranteed by the federal government, default does not result in immediate liquidation. Some SBA investors are holding paper while the loan is "worked out." Also, federal guarantees do not extend to points paid.

4. State Constitution Prohibits Some Investments

Article VIII, Sections 5 and 7, and Article XII, Section 9 prohibit the state and local governments in the State from extending credit, giving money or property, or loaning money to individuals, associations, companies, or corporations. Therefore, except for the following exceptions, treasurers should not invest in stock of private companies or other investments which appear to be prohibited. Article XXIX, Section 1, provides that public pension, retirement, and industrial insurance trust funds be the ONLY exceptions, thus allowing any investment authorized by law. Any investment holdings in violation of the Constitution will be challenged.

5. PDPC Covers Losses As Provided By Statute

All public deposits in qualified public depositories are protected from loss as provided in Chapter 39.58 RCW, but there are some limitations. In the event of a loss due to default of a qualified public depository, the PDPC would:

- a. Determine the net deposit liability of the defaulting institution after FDIC coverage.
- b. Make assessments against all bank depositories or all thrift depositories, depending on whether the defaulting institution was a bank or a thrift institution:
 - First, against the defaulting institution to the full extent of securities pledged as collateral.
 - Second, against all other bank or thrift depositories, for their proportionate share of the loss, up to a maximum of 10 percent of each institution's public deposits. (RCW 39.58.060(3); 39.58.010(6).)
- c. Represent all public treasurers for liquidation of the defaulting institution's assets to recover the remaining net deposit liability, if any exists after assessments against all bank or thrift depositories.

Treasurers should be aware that in the event of a default of a qualified depository, the funds in that institution could be tied up until deposit balances are certified and assessments are collected (RCW 29.58.060). Diversification of investments among various bank and thrift institutions could help alleviate potential cash flow problems.

6. Properly Name Accounts For Insurance Coverage

In order to maximize insurance coverage from FDIC care should be exercised to properly name deposit accounts so that ownership of such accounts is clear.

7. Consult Your Bond Counsel For Guidance On Arbitrage Restriction

The Tax Reform Act of 1986 placed tighter restrictions on tax-exempt bonds. Penalties for noncompliance include fines and, possibly, retroactive taxation on the bonds.

8. Repurchase Agreements Require Proper Procedures to Avoid Loss

Recent losses suffered by local governments indicate the need for treasurers to participate in repurchase agreements (repos) with adequate procedures and knowledge of the mechanics of repo transactions.

a. Treasurer Must Have Control Of Securities In Repos

Each repo must be structured so that one of the following events occurs for the period of time that the repo is effective:

- (1) Either of the procedures called DVP (delivery versus payment) whereby:
 - a) The treasurer obtains physical delivery of the underlying securities; OR
 - b) The underlying securities are delivered to a third party, such as a safekeeping bank acting as an agent for the public treasurer; OR
- (2) The underlying securities are delivered to a bank's trust division (not within its operating division) for the account of the public treasury, when the repo is being done with the same institution.

This delivery may be made either physically or by book entry. Book entry is a system of handling securities. The Federal Reserve Bank's system is a securities safekeeping arrangement between the Fed and its customers. All US government agencies' issues exist only in book entry form, in computerized files, rather than in definitive (engraved paper) form. Under the system, book entry securities are transferred electronically between accounts based on input from the depository institution transferring securities from its account.

b. Do Not Invest In “Pooled” Or “Master” Repos

Some dealers offer repos where a treasurer invests in a pool of securities held by a trustee. Statements from the trustee list the securities; however, no “owner” is listed on the statement. The statements only reference a pool number. Treasurers have no way to assure themselves that the dealer has not oversold the securities. In the event of a dealer’s default, the treasurer may discover the pool does not cover all of the claims of its investors. Where securities involved in repos are being held by trustees or a bank’s trust division, the treasurer must require that the securities be held in his/her name.

c. Market Value Of Securities Should Cover The Investment

Treasurers should assure themselves that they are adequately protected from a sudden decline in the market value of the securities they have purchased. Some authorities recommend that the market value of the underlying securities exceed the amount to be received at the end of the agreement, thus protecting principal and interest. It is common practice in the industry for an excess of market value over the cash paid, called a market or “haircut”, to be built into the agreement to protect against declines in the market value of the underlying securities.

The local treasurer should review (reprice) the market value of the underlying securities periodically to make sure it has not fallen below an acceptable level, placing part of the entity’s principal and earnings at risk. Should such a decline in value occur, additional securities should be obtained or part of the entity’s principal should be recovered. The size of the margin built into the agreement should reflect the price volatility of the underlying securities, the frequency of repricing, and the length of the repo.

d. Evaluate Financial Position Of Security Dealers

Treasurers should screen and evaluate the integrity of dealers from whom they will purchase securities. Many dealers are unregulated. Many authorities recommend that treasurers deal only with the primary security dealers. Dealers of money market or mutual funds must have bonds posted with the Risk Management Office of the Department of General Administration per RCW 39.59.010.

e. Obtain Written Contracts

Local governments should establish their rights in repos through written contracts. A written contract will specify, among other things, the right of the local government to liquidate the underlying securities in the event of default by the dealer and directions for the delivery of the underlying securities. This written contract may take the form of a master agreement covering all future transactions or a transaction agreement covering a single transaction.

Local governments should also have a written contract with a custodial agent, usually a bank, specifying the responsibilities of that third party. Such a written contract, called a custodial agreement ensures that the entity’s custodian is an independent third party to the repo transaction. Among the custodial responsibilities that may be specified in a written contract are:

- 1) The custodian’s responsibility to disburse cash for repos only on delivery of the underlying securities;
- 2) The custodian’s responsibility to obtain additional securities if the required margin on the repo agreement is not maintained;
- 3) The custodian’s responsibility for periodic reporting to the entity on the market value of the securities.

f. Beware Of Pitfalls

No treasurer should participate in repos without a thorough knowledge and understanding of what repos are and how they work. Every treasurer should be aware of the pitfalls and why other governments have suffered losses.

NOTE: The BARS material on investments is intended to inform local treasurers of the State Auditor's current audit standards and to provide information on current legal authority questions and on prudent investment standards. This material does not constitute a legal opinion on the validity of any particular investment. The State Auditor does not intend to imply that a treasurer who follows the standards set forth in these materials will thereby avoid any possibility of a loss of public funds. Each treasurer must exercise his or her best professional judgment in selecting particular investments, relying where appropriate on legal and other professional assistance.

Chapter 1. General Accounting Procedures
Section 8. Issuance Of Duplicate Instruments (Chapter 39.72 RCW and RCW 43.08.064, .066, .068)

Before a duplicate instrument is issued, the issuing officer should require the person making application for its issue to file in his/her office a written affidavit specifically alleging on oath that he/she is the proper owner, payee, or legal representative of such owner or payee of the original instrument, giving the date of issue, the number, amount, and for what services or claim or purpose the original instrument or series of instruments of which it is a part was issued, and that the same has been lost or destroyed, and has not been paid or received by him/her.

The following is a sample for use by the districts.

AFFIDAVIT

STATE OF WASHINGTON,)

ss,

County of _____)

I, _____, being first duly sworn upon oath, depose and say that I am the proper owner, payee, or legal representative of such owner or payee of _____ (district), original _____ (describe instrument) No. _____, dated _____, in the amount of _____ Dollars (\$_____) which said instrument was issued in payment for _____ and that the same has been lost or destroyed and has not been paid.

Signature _____

Witnessed by me this _____ day of _____.

Witness ¹

Residing at _____

¹ A district may require the affidavit to be signed by a notary public.

Chapter 1. General Accounting Procedures
Section 9. Cash Receipting

Cash receipting is a very important function of all governments. Listed below are requirements for deposits and receipt forms. Also provided are recommended internal control procedures for cash receipts. Internal controls are responsibility of the management.

1. Deposits.
 - a. Every public officer and employee, whose duty it is to collect and receive payments due or for the use of the public, should deposit such monies collected or received by him/her with the treasurer of the local government once every twenty-four hours. The treasurer of the local government may at his/her discretion grant an exception where such daily transfers would not be administratively practical or feasible (RCW 43.09.240).
 - b. Deposits must be made intact and the composition of checks and cash must match the mode of payment listed on the deposit slip and related receipt forms.
 - c. Checks must be restrictively endorsed "For Deposit Only" immediately upon receipt.
2. Receipt Forms (manual or automated).
 - a. Receipt forms must be pre-numbered and imprinted with the name of the district.
 - b. Receipt forms must include the following information:
 - Name of payor (address if feasible).
 - Amount received.
 - Mode of payment (cash, check, credit card, other).
 - Purpose of payment.
 - Name of employee who prepares receipt.
 - c. Generic receipt forms should not be used (e.g., Rediform, etc.).
 - d. In instances where cash is received at decentralized locations, the local government treasurer may combine those receipts onto one treasurer's receipt. The treasurer's receipt should indicate the total amount received from each location as well as the appropriate account codes.
 - e. If a receipt is voided, the original and any copies of that receipt must be retained.
3. Internal Controls.

The following internal controls enable local governments to properly account for and safeguard cash receipts. These controls are recommended for all local governments.

 - a. Two employees should open the daily mail and prepare a list of cash and checks received (remittance list). This may not be feasible at departments/governments having limited staff. In such a case, the port should implement a system of supervisory review of the remittance list and bank deposits.

- b. The daily deposit should be prepared by someone other than the person who received the payment. As noted above, this control may not be feasible at departments/governments having limited staff. In such a case, the port should implement a system of supervisory review of the remittance list and bank deposits.
- c. Checks received in the mail should be briefly reviewed for accuracy (e.g., proper payee, date, signature of payor, etc.). Checks with obvious inaccuracies should not be included in the deposit. In such a case, the port should contact the payor and request that the payment be corrected or reissued.
- d. The daily remittance list should be compared (reconciled) to daily deposit slips and to the cash receipts journal (or check register) on a regular basis. This should be performed by someone other than the employee who prepared the remittance list. Any shortage should be resolved.
- e. A duplicate copy of the bank-validated deposit slip showing the composition of receipts should be retained by someone other than the employee making up the deposit.
- f. A monthly bank statement reconciliation should be performed by an independent person who does not have cash custody or bookkeeping responsibilities over cash. Any differences that are identified during the monthly bank reconciliation should be researched and resolved.
- g. The daily deposit should be delivered to the bank in the bank bags and should have locks or other tamper-proof devices.
- h. Cash receipts should be properly protected during the operating day and secured in a safe or vault overnight. Access to the cashing area should be appropriately restricted whenever possible.
- i. Access to the safe or vault should be limited and combination should be changed periodically. In addition, the safe and vault combination should be changed after employees terminate employment.
- j. If the port utilizes cash registers, there should be only one change fund and one cash register (or drawer) per cashier. This enables the port to affix responsibility for cash to a specific individual at all times.
- k. Accounting manuals or policies should contain instructions for identifying cash receipts and for dating cash receipts journal entries for that day's receipts.

Chapter 2. Specific Issues
Section 1. Promotional Hosting

Promotional hosting means furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with:

business meetings,
social gatherings, and
ceremonies honoring persons or events,

relating to the authorized business promotional activities of a port. Hosting may also include reasonable, and customary entertainment, and souvenirs of nominal value, all incidental to such events.

Promotional hosting must be explicitly related to promoting trade and industrial development.

RCW 53.36.120 authorizes expenditures for industrial development, trade promotion, and promotional hosting and requires that such expenditures be "... pursuant to specific budget items as approved by the port commission...." Section 53.36.130 limits funds for promotional hosting expenses to a formula based upon total gross operating revenues. Section 53.36.140 requires the port commission to adopt written rules and regulations governing promotional hosting expenses, and RCW 53.36.150 directs the State Auditor to audit promotional hosting expenses and to promulgate appropriate rules and definitions as a part of its uniform system of accounts.

Promotional hosting expenses should include not only money spent directly by the port officers and employees, but also money spent by contractors or consultants when a contract explicitly or by clear implication calls for contractors or consultants to engage in promotional hosting with the funds they received from the port.

Ports may host a variety of people: private individuals, union officials, foreign or U.S. government dignitaries, officials from local, Washington and other states, officials from out-of-state or in-state ports. In all cases, to correctly categorize the incurred costs as promotional hosting expenses, the port must reasonably believe that a particular individual or a group of people could sufficiently influence trade or industrial development. The indiscriminate hosting of people who have no conceivable influence in that area is a violation of the statute.

Ports should also exercise a caution regarding hosted officials and the legality of accepting gifts and gratuities (e.g., the federal employees may be prohibited from doing that). Also representatives from state or local governments are often reimbursed for expenses incurred in connection with such port events. However, if those costs are unreimbursable or when they are inseparable as practical matter from otherwise promotional activities, they can be treated correctly as appropriate promotional hosting expenditures. Above rule may also apply to the port's own officials or employees participating in the promotional event.

If a port official or employee is authorized by the port commissioners to make expenses for promotional hosting and if such hosting is done while in travel status, then that cost may be paid with moneys advanced from the *Advance Travel Expense Account*.

Chapter 2. Specific Issues
Section 2. Employee Travel (Chapter 42.24 RCW)

RCW 53.08.175 and .176 authorize port districts to reimburse their employees for necessary and reasonable travel and other business expenses.

For the purpose of the BARS, travel expense includes amounts paid for use of personal automobiles, other transportation, and actual expenses or reimbursement in lieu of actual expenses for meals, lodging, and related items.

The port commission must pass a resolution to establish rules and regulations for the reimbursement of travel expense. The rules should cover all district officials and employees. The resolution should establish procedure for approving travel expenses, purchase of transportation forms of the voucher, discuss the policy on tipping, and it should prohibit reimbursement for personal expenses and entertainment.

If any district wishes to issue credit cards for travel related expenses, the port commission must pass a resolution to establish rules and regulations that satisfy provisions of Chapter 42.24 RCW, including:

1. Submission of a fully itemized travel expense voucher by the employee or officer;¹
2. Settlement by the officer or employee within 30 days of the billing date; and,
3. The establishment of a lien against salary for any disallowed charges.

Claims for reimbursement of travel expenses must contain a signed certification that includes the following language:

I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me and that no payment has been received by me on account thereof.

In addition, if an officer or employee is filing a claim on behalf of others, he/she must prepare a detailed account that includes:

1. Names of the others who traveled, partook of meals, or otherwise incurred expenses.
2. Whether they were district employees and, if not, who they were and what connection they had with district business.
3. Who provided the lodging, meals or other services in question, dates and times.
4. A detailed breakdown of amounts.
5. Some statement sufficiently explicit to show what district business was being carried out when the expenses were incurred.

If a district chooses the option of using monthly reimbursements for use of personal automobiles for official business, the following procedures apply:

1. The monthly rate schedule established should be limited to officers and/or employees who actually use their personal automobiles for travel on a regular basis. It is the responsibility of the district to assure that each traveler is on official business.

¹ When the travel requires overnight lodging, port officials or employees may be reimbursed per diem in lieu of actual expenses. The payment should not exceed \$25.00 per day.

2. The rate must be based on actual costs.
3. A periodic review must be performed and documented to determine whether or not the rate continues to reflect actual costs.

If the above procedures are not followed, the reimbursement for use of personal automobiles may be treated as additional compensation. According to the Internal Revenue Service, districts could be assessed the withholding tax of the employees if the amounts advanced/reimbursed for travel were not for expenses incurred or reasonably expected to be incurred, unless these amounts are reported as taxable wages on the W-2.

If a district chooses to establish an *Advance Travel Expense Account* (Imprest Account), pursuant to RCW 42.24.120, the following procedures apply:

1. The imprest amount must be established and maintained in accordance with the procedures prescribed for petty cash (e.g., amount must be established by a resolution).
2. Upon receipt of the moneys, the custodian will open a checking account in a local bank in the name of the governmental unit entitled *Advance Travel Expense Account - John Doe, Custodian*. Moneys received from the following sources will be deposited to the account:

From the treasurer or other disbursing officer, the total amount originally establishing the account or subsequently added; from officers and employees, refunds of any unexpended advances; and from the warrant-issuing officer, amounts that reimburse the custodian for travel expenses allowed in the settlement of employee advances.

3. The *Advance Travel Expense Account* must be used solely for travel advances, not direct payments to vendors. In other words, moneys may be advanced to an individual who is going on travel status for travel-related expenses that he/she will pay out of his/her own pocket. It must not be used for personal loans, registration fees, reimbursements to employees or officers for travel already incurred, etc.
4. A check register should be maintained to record all transactions of the account, including deposits, disbursements and bank service charges. A reconciliation should be made with the bank statement at the end of each month. When possible, the reconciliation should be made by someone other than the custodian. The balance remaining in the checking account as of a given date, together with any outstanding advances and travel expense claims on hand but not yet reimbursed, should always equal the amount established by the port commission for the account.
5. Employee advances for travel expenses should be made by the issuance of checks drawn on the special bank account, payable to the applicant. Approved requests should be retained in the files of the custodian to support such advances until final settlement is made and claim for reimbursement has been submitted. Requests for such advances should be reasonable estimates of the applicants' travel expense requirements and should contain as a minimum the following information:

Date of request
Name of applicant
Destination
Purpose of travel
Anticipated departure and return dates
Amount requested
Signature of applicant
Official approval of trip
Check number, amount and date (to be provided by the custodian when the advance is made)

6. Settlement of advances should be made on or before the fifteenth day following the close of the travel period by filing with the custodian an expense voucher as required by RCW 42.24.090. The custodian should verify the amount shown on such form as having been advanced to the employee. In the event the traveler's actual expense is less than the amount of the advance received, his/her expense voucher will be accompanied by the unexpended portion of the advance. The expense voucher and original request for the advance should then be used to support the custodian's claim for a warrant replenishing the account for travel expenses reported. Expense vouchers containing expenses in excess of the amount advanced should be submitted in duplicate to the custodian at the time of final settlement. The original copy of the expense claim and the traveler's request for an advance should then be used to support the custodian's claim for a warrant replenishing the account. The other copy of the expense claim should be submitted to the warrant issuing officer for reimbursement of the excess to the traveler. Claims for reimbursement to the account should be submitted by the custodian periodically as needed and at the end of the fiscal year in order that all expenses incurred will be charged against the appropriations for the period then ending.
7. Any default in accounting for or repaying an advance should render the full amount which is unpaid immediately due and payable with interest at the rate of 10 percent per annum from the date of default until repaid. To protect against any losses on advances, the port commission should have a prior lien against and a right to withhold any and all funds payable or to become payable to such officer or employee to whom such advance has been given, up to the amount of the advance and an annual interest rate of 10 percent until repayment or justification is made (RCW 42.24.140). No advance of any kind may be made to any officer or employee at any time when he/she is delinquent in accounting for or repaying a prior advance.

Chapter 2. Specific Issues
Section 3. Suspected Loss Of Public Funds

RCW 43.09.185

“State agencies and local governments shall immediately report to the state auditor’s office known or suspected loss of public funds or assets or other illegal activity.”

Any suspected or know loss of public funds should be immediately reported to the State Auditor’s Office.

Correction of the loss without reporting to appropriate authorities or destruction of any pertinent records should not be attempted. All original records should be secured in a safe place, such as a safe or locked file cabinet until the State Auditor completes the investigation.

Chapter 2. Specific Issues
Section 4. Bond Coverage For Public Officials And Employees

These recommendations are intended to make local governments aware of possible bond restrictions and limitations. Any modifications made in bond coverage should be thoroughly reviewed with your legal counsel.

a. Cover All Employees

Bond Coverage should be provided for all employees. Since individual position bonds often are limited in coverage, the entity should consider an employee blanket bond.

b. Increase Amounts of Coverage

Dollar limits of current bond coverage may be established by statute, however, this minimum amount may not be enough. The bond coverage amounts should be reviewed to ensure that there is adequate coverage over loss. Costs associated with increased bond coverage are often minimal considering the protection that increased coverage provides.

A reasonable amount of bond coverage will vary with the size and financial activities of each local government. In determining the amount of coverage needed the insurance broker, legal counsel and other municipalities should be consulted when determining amount of coverage needed.

c. Improve Type of Coverage

Consideration should be given to the value of the less restrictive coverage of faithful performance bonds. Honesty bonds often require evidence of the employee's dishonesty before recovery can be made. Faithful performance bonds only require proof that a loss has been incurred.

d. Eliminate Restrictions on Coverage

Non-Cumulative Coverage – A common restriction in bond coverage is limiting any recovery to the face amount of the bond, regardless of the number of years the loss covered.

For example: Assume losses of \$10,000, \$20,000 and \$20,000 were incurred in three consecutive years, respectively, and a \$20,000 bond was in force for all three years. Non-cumulative coverage would limit the total bond recovery to \$20,000, thereby resulting in an uninsured loss of \$30,000.

Audit Costs – Sometimes an extensive audit is required in order to prove and document a loss. Audit costs are often not recoverable due to limitations in bond coverage. Specifically including audit costs in the bond coverage should be considered when establishing coverage.

Filing on Bond – Restrictions as to who can file for recovery on behalf of the bondholder should be reviewed. Such restrictions could prevent filing by the Attorney General's Office or other regulatory agency, resulting in additional legal costs to the local government.

e. Bond Coverage Does Not Replace Errors and Omission Coverage

A bond is not insurance. Although the bonding company may pay on a loss, it can seek to recover the amount it paid from the bonded official. To protect officials from such liability, local governments should consider carrying errors and omission insurance.

Chapter 2. Specific Issues
Section 5. Memberships In Civic And Service Organizations

There has been a dramatic shift in business, social, and governmental cultures which has impacted the way the legal community views implied powers of municipal corporations. Included in this contemporary analysis is a recognition that membership in a local civic or service organization may, indeed, benefit a municipal corporations.

The AG's office and SAO has concluded t6hat the intent of memberships payments by a municipal corporation should be considered. However, payments of memberships to fraternal organizations, or community/special organizations such as golf and country clubs, should continue to be questioned. While municipal corporations have no obligation to pay for employee and officer memberships, should they choose to do so, a formal policy should be adopted to include:

- The legislative body's intent that officers and employees be active participants in service and civic organizations.
 - Those services and civic organizations to whom membership fees will be paid on behalf of officers and employees.
 - The limit on the number of individuals for whom membership payment will be made to any one organization, and a delineation of criteria for multiple memberships.
 - The benefit, which the municipal corporation will derive from the membership in an organization and the authorized activity to which such benefit, is related.
 - Those municipal corporation positions for which membership fees will be paid.
 - Ancillary costs of membership which the municipal corporation will or will not pay, or provide reimbursement (i.e. meal costs incurred during meeting, costs incurred traveling to and from meetings, costs incurred as a result of the employees membership such as, time required to attend meetings or for committee participation and time required to perform duties of appointed/volunteer/elected positions) or time and expenses incurred as a result of attendance at related meetings such as regional, state, or national conventions.
 - Approval authority for payment of expenses incurred as a result of membership in civic or service organizations, or for deviation from established policy.
 - Limitations on the dollar amount that will be paid to a single organization or on behalf of an individual.
 - A prohibition of employee or officers, whose civic or service organization dues are paid in whole or in part by the municipal corporations:
1. Exerting influence on other employees or officers to provide financial contributions or other support to the civic or service organization.
 2. Using the civic or service organizations as a forum for lobbying in support of or opposition to political or legislative actions, or the promotion of endeavors in which the officer or employee may have a direct or indirect financial interest or may acquire a personal benefit or gain.

Cellular Phones

- Local governments are responsible for controlling managing and the usage of their cellular telephones. It is the decision of entity management whether to allow employees personal use of their cellular telephones. If personal use is allowed, the entity needs to establish a system to ensure individuals are responsible for the payment of their non-business or personal calls. Such a system for example, may be a signed agreement that allows the entity to deduct the cost of unpaid calls from the employee's paycheck or an initial deposit to cover those costs.
- Additionally, when personal use of cellular telephones is allowed, a system also needs to be established that requires the employee to review the telephone bill statement and identify personal call made. The employee should be required to submit payment for their portion of the bill at that time.

Pre-paid phone cards

- Before pre-paid phone cards are used, management should be able to track:
 - v Who made the phone calls.
 - v The cost of the calls.
 - v The purpose of the calls.
- If these items cannot be tracked, the use of these cards is not advisable.

Chapter 2. Specific Issues
Section 7. Redeemed Warrants/Canceled Checks

Due to many local governments no longer receiving redeemed warrants and canceled checks from their financial institutions the following is guidance which pertains to such effected entities.

The State Auditor's Office recommends local governments receive and retain all redeemed warrants and canceled checks from public accounts as part of their public records. This may be either the original (actual) document or "read-only" (certified electronic format). Those entities using the county as their fiscal agent may continue allowing the county to maintain these documents.

The reasons for this recommendation are twofold:

1. Receiving and reviewing these documents is an integral part of the entities internal control system. Many disbursement frauds may be detected by having an independent party scan the front and back of all redeemed warrants and canceled checks.
2. Our office is responsible for auditing the receipt, safekeeping and disbursements of public funds. To fulfill this responsibility, we must have access to all original source documents, including redeemed warrants and canceled checks.

We recognize a small cost may be associated with receiving these documents from your financial institutions. However, this cost will be substantially less than costs associated with our office requesting these documents during an audit.

Chapter 2. Specific Issues
Section 8. Salary Increases For Elected Officials And The Consumer Price Index

Many questions have arisen over the years about whether salaries for city council members or county commissioners can be increased by tying them to an index, such as the Consumer Price Index (CPI). However, we have consistently concluded that this sort of salary increase is indeed a violation of the State Constitution. We have stated, and continue to advise, that unless the increase can be foreseen at the beginning of the term, salary increases connected to an index violate the constitutional restriction. This conclusion has been supported by a superior Court decision, *Telford v. Thurston County Commissioners* and *Thurston County* and informal opinion by the Office of the Attorney General.

Applicable References:

1. Article 2, section 25 (amend. 35) of the Washington Constitution provides that the compensation of a public officer shall not be increased during his or her term of office.
2. Article 2, section 25 of the Washington Constitution prohibits a public officer or employee from receiving extra compensation after the services for which the compensation is given have been rendered.
3. The decision to increase the compensation of public utility district commissioners or the manager must be made at an open public meeting. The validity of a meeting under the Open Public Meetings Act is determined by whether notice of the meeting and the opportunity to attend are provided in accordance with RCW 42.30.030 and .070.

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REPORTING REQUIREMENTS

Pursuant to RCW 43.09.230, Annual Reports are to be certified and filed with the State Auditor's Office within 150 days after the close of each fiscal year.

Annual Report
State Auditor's Office
Local Government Support Team
PO Box 40031
Olympia, WA 98504-0031

The listing which follows indicates the statements and schedules required for your district. All the statements and schedules listed below are prepared on a cash or modified cash basis.

Statements

C-1 Statement Of Activities Arising From Cash Transactions
F-1 Notes To Financial Statements

Schedules

04 Detail Of Revenues And Other Sources
05 Detail Of Expenses And Other Uses
08 Real And Personal Property Taxes
*09 Long-Term Debt
*16 Expenditures Of Federal Awards And State/Local Financial Assistance
19 Labor Relations Consultant(s)

* These statements and schedules will be included by the examiner as exhibits in the audit report.

In most cases, the State Auditor's Office (SAO) has designed forms to use in preparing the required statements and schedules. A blank copy of each form is included at the appropriate place in each chapter. The use of these particular forms is not required; however, the kinds and amounts of information requested by the forms is generally prescribed. Specific instructions accompanying each statement and schedule identify what detail, if any, is optional.

It is important to note that the required statements and schedules are not intended to meet the criteria of generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GAAP reporting requirements are discussed and prescribed in the BARS manual for classified port districts. The State Auditor's Office has determined that these requirements are too extensive for unclassified districts, considering their size and the resources they typically have available to perform accounting tasks. However, any district that wishes to provide the disclosure contained in GAAP statements is encouraged to prepare those statement(s). The district should contact the SAO to obtain copies of the Classified Port Districts BARS manual.

Electronic Filing Instructions

Electronic reporting is encouraged when filing annual reports. Statements and schedules may be submitted on diskette or via e-mail.

File Layout: Schedules 04 and 05 should be formatted to include on each line MCAG number (4 digits as Text), Fund Number (3 digits as Text), BARS account number (7 digits as Text), Description – optional (30 characters) and actual amounts (use a minus sign for Revenue debits and Expenditures credits). The remainder of the schedules should be formatted as described in the following chapters.

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Acceptable Formats: Test file (ASCII Fixed Field or Delimited – Comma or Tab)
Excel 2.1 or higher
Other software should ‘save as’ or ‘export’ to a preferred format.

Acceptable Media: 3½ diskette, Zip disk (no cartridges or tapes)

E-mail files and/or questions can be sent to walzd@sao.wa.gov or call Duane Walz at (360) 664-0906.

MCAG Numbers

The next few pages contain all unclassified port districts MCAG identification numbers. Record your district number in the upper left hand corner of all reports.

Reporting Checklist

When you have finished preparing the statements and schedules described in Chapters 2 through 5, use the checklist at the end of this chapter to insure that your report is complete. Please arrange the report contents in the order shown on the checklist. (You may use the checklist as your table of contents.)

Certification/Cover Sheet

Finally, prepare the cover sheet and sign and date the certification before submitting your report.

MCAG NUMBERS - PORT DISTRICTS (UNCLASSIFIED)

Port of Allyn.....	1742
Port of Centralia	0588
Port of Chehalis	0589
Port of Chinook.....	1750
Port of Clarkston.....	0437
Port of Columbia County	1705
Port of Coulee City	1716
Port of Coupeville	1724
Port of Dewatto	1743
Port of Eglon.....	1739
Port of Ephrata	1721
Port of Garfield	1712
Port of Grand Coulee	1719
Port of Grandview.....	0837
Port of Grapeview	1744
Port of Hartline.....	1717
Port of Hoodspport.....	1745
Port of Illahee	1734
Port of Illwaco	1748
Port of Indianola	1735
Port of Kahlotus.....	1711
Port of Keyport	1736
Port of Klickitat	1741
Port of Lopez.....	1754
Port of Mabana	1726
Port of Manchester.....	1737
Port of Mattawa	1715
Port of Orcas	1755
Port of Othello	1696
Port of Peninsula.....	1751
Port of Poulsbo	1732
Port of Royal Slope.....	1714
Port of Silverdale.....	1733
Port of Skamania County	1758
Port of South Whidbey Island.....	1725
Port of Tahuya	1747
Port of Tracyton.....	1740
Port of Wahkiakum County #1	1762
Port of Wahkiakum County #2.....	1763
Port of Warden.....	1720
Port of Waterman.....	1738
Port of Whitman County	1766
Port of Wilson Creek.....	1718
Port of Woodland.....	1708

CHECKLIST OF REPORTING REQUIREMENTS

NOTE: This list is NOT the order in which to prepare these statements and schedules, but it is the order for presenting them in your annual report. Chapters 2-5 of this part give instructions for preparing the statements and schedules in an efficient sequence.

Page Number(s)	Statement Or Schedule	Yes	No	SEE Chapter
	Statement C-1 Statement Of Activities Arising From Cash Transactions			2
	Notes To Financial Statements			3
	Schedule 04 Detail Of Revenues And Other Sources			5
	Schedule 05 Detail Of Expenses And Other Uses			5
	Schedule 08 Real And Personal Property Taxes			5
	Schedule 09 Long-Term Debt General Obligation Debt Revenue Debt Refunded Debt			5 5 5 5
	Schedule 16 Expenditures Of Federal Awards And State/Local Financial Assistance Federal Grants State Grants Interlocal Grants			5 5 5
	Schedule 19 Labor Relations Consultant(s)			5

ANNUAL REPORT

(Name of Port)

MCAG No.

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED _____

Certified correct this _____ day of _____

to the best of my knowledge and belief:

NAME_____

TITLE_____

PREPARED BY_____

TELEPHONE NUMBER_____

FAX NUMBER_____

E-MAIL ADDRESS_____

HOME PAGE ADDRESS_____

INSTRUCTIONS FOR PREPARING THE STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
(C-1)

- A. The information for this statement should be taken from the port revenue and expense ledgers after year-end.
- B. Prior year information¹ should be taken from the prior year's statement. If preparing comparative statements, the left hand column should be used for current year information and the right-hand column for the previous year.
- C. The expense may include a parenthetical reference to the appropriate financial note.
- D. To complete the statement, please follow the instructions below.
- 1 Include all applicable operating revenues (620-660 and 680).
 - 2 Include all applicable operating expenses (710-760 and 780).
 - 3 Include only accounts 781 and 783. Account 785 may be already allocated and included in 715, 725, 735 and 765. (Account 787 should be used for accounting purposes only. This financial statement does not reflect noncash transactions.)
 - 4 Subtract the total operating expenses from total operating revenues.
 - 5 Include interest income (699.10).
 - 6 Include revenue from taxes (699.20).
 - 7 Include proceeds related to capital assets disposal (699.80).
 - 8 Include disbursements related to capital assets purchases (773.XX).
 - 9 Include amount of proceeds from issuing any type of long-term debt (671.00).
 - 10 Include amount of long-term debt redeemed (771.00) and expenses related to interest payment (799.91).
 - 11 Include gain (loss) on sale of investment (699.61). The interest income from investment should be posted to 699.10. The receipts from sale/or disbursement related to a purchase of investment should be coded 672.00/772.00 (respectively) and already included in Beginning Net Cash and Investment. Listing account 672.00/772.00 on the statement would result in double-counting, since the accounts indicate only a reclassification between cash and investments.
 - 12 Include capital contributions from federal/state/local/private sources (65X.XX).

¹ Prior year presentation is optional.

- 13 Include revenues from extraordinary and/or special events and transactions (699.50).
 - 14 Include results of any cash transactions not listed above (e.g., election expense (799.92.), and other 679.00, 699.90, 779.XX and 799.XX)
 - 15 Add all nonoperating revenues and receipts, subtract all nonoperating expenses and disbursements.
 - 16 Add (subtract) line 15 from Operating Income (Loss) 4.
 - 17 Include beginning balance of net cash and investments. This amount should equal the ending balance of net cash and investment from prior fiscal year. If there is a discrepancy, explain it in the notes to financial statement.
 - 18 Add items 16 Band 17.
- E. The example that follows illustrates the proper format and headings. Be sure to note the following items:
1. Account numbers do not need to be included.
 2. The name of the port should be at the top of the form, followed by the title of the statement, which is *(Comparative) Statement Of Activities Arising From Cash Transactions*.
 3. The statement should have inclusive dates or the phrase *for the year(s) ended*, since an operating statement is prepared for a period of time.
 4. After the *Total Operating Expenses* line, a separate subtotal is calculated and labeled *Operating Income (Loss)*.
 5. The statement MUST contain a footnote directing the reader to the accompanying notes to financial statements.

PORT OF _____
 (COMPARATIVE)^{1/} STATEMENT OF ACTIVITIES
 ARISING FROM CASH TRANSACTIONS
 For the Years Ended December 31, ____ and ____^{1/}

	<u>12/31/</u>	<u>12/31/</u> ^{1/}
OPERATING REVENUES:1		
Airport operations	\$ _____	\$ _____
Marina operations	_____	_____
Marine terminal operations	_____	_____
Property lease/rental operations	_____	_____
General and administrative	_____	_____
Other: _____	_____	_____
Total Operating Revenues	_____	_____
OPERATING EXPENSES:2		
General operations	_____	_____
Maintenance	_____	_____
General and administrative (781 + 783)3	_____	_____
Other: _____	_____	_____
Total Operating Expenses	_____	_____
Operating Income (Loss) 4	_____	_____
NONOPERATING REVENUES/RECEIPTS (EXPENSES/DISBURSEMENTS):		
Interest income5	_____	_____
Taxes levied for:6		
General purposes	_____	_____
Debt service principal/interest	_____	_____
Disposal of capital assets 7	_____	_____
Purchase of capital assets8	_____	_____
Long-term debt proceeds9	_____	_____
Principal paid on long-term debt10	_____	_____
Interest paid on long-term debt10	_____	_____
Gain (loss) on investment11	_____	_____
Capital contributions12	_____	_____
Extraordinary/Special items 13	_____	_____
Other nonoperating revenues (expenses)14	_____	_____
Election expenses	_____	_____
_____	_____	_____
Total Nonoperating Revenues/Receipts (Expenses/Disbursements)15	_____	_____
Net increase (decrease) in net cash and investments 16	_____	_____
Beginning balance of net cash and investments 17	_____	_____
ENDING BALANCE OF NET CASH AND INVESTMENTS18	<u>\$ _____</u>	<u>\$ _____</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

^{1/} Prior year presentation is optional.

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REPORTING
NOTES TO FINANCIAL STATEMENTS

The notes which follow are designed to illustrate the disclosures required for unclassified port districts. The SAMPLE TEXT pages contain the most common version of a note, the one that your district is most likely to use. The NOTES TO PREPARER pages contain instructions and comments on the SAMPLE TEXT. Your notes must reflect your accounting policies and must include disclosure in the areas listed as they relate to your district's financial position.

DELETE THE NOTES THAT DO NOT APPLY AND ADD OTHERS THAT ARE NEEDED TO HELP A READER UNDERSTAND YOUR DISTRICT'S FINANCIAL STATEMENTS.

Once you have compiled these notes so that they provide the necessary information about your district attach them immediately behind your financial statements.

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SAMPLE
TEXT
LINE NO.

NOTES TO PREPARER

- 3 For *type of government* describe the legal formation of your district.
- 5 For *major types of services*, summarize the functions that your district performs, such as:
- Marina, shipping terminal, industrial park, airport, etc.
- 16-17 If the district uses the modified cash basis of accounting, replace the text with:
- The (district) uses modified cash basis of accounting which is a departure from generally accepted accounting principles.
- Also describe the modifications (e.g., recognition of certain accruals, description, etc.)
- 21 If your district deposits are not entirely insured, disclose the amount that is uncollateralized.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The (official name of the district) was incorporated on (date) and operates under the laws of the state of Washington applicable to a (type of government).

1. Reporting Entity

The (district) is a special purpose government and provides (list major types of services) to the general public and is supported primarily through user charges (or where the governing body has decided that periodic determination of net income is needed).

The following is a summary of the significant policies, including identification of those policies which result in material departures from generally accepted accounting principles (GAAP).

2. Basis Of Accounting

The accounting records of the (district) are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The (district) uses the *Budgeting, Accounting and Reporting System for Unclassified Port Districts*.

The accounts of the (district) are maintained on the basis of funds. For reporting purposes, the activities of all the (district)'s funds are combined.

The (district) uses the cash basis of accounting where revenues are recognized only when received and expenses are recognized when paid.

3. Cash

It is the (district)'s policy to invest all temporary cash surpluses. The amount is included on the statement of revenues and expenses arising from cash transactions as net cash and investments.

4. Deposits

The (district) deposits (and certificates of deposit) are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

5. Capital Assets

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid. (Obligations under capital leases are disclosed in Note (Long-Term Debt And Capital Leases Note No.)).

6. Investments See Note (Investments Note No.).

6 Indicate whether you individually self-insure, individually purchase commercial insurance policies, participate as a member of a joint insurance pool, or use a combination of the above. Provide a sufficient amount of information (e.g., the type of coverages, type of funds to account for risk management activities, the expected annual claims, name of insurer, amount deductible, etc.) to inform the reader of your financial statements about the risk management activities of your entity. If your district is a member of a public entity risk pool, disclose where the reader can obtain the risk pool's financial statements.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

- 1 7. Compensated Absences
- 2 Vacation pay may be accumulated up to ____ days and is payable upon separation or retirement.
- 3 Sick leave may accumulate (indefinitely or up to ____ hours). Upon separation or retirement employees
- 4 (do or do not) receive payment for unused sick leave.
- 5 8. Long-Term Debt See Note (Long-Term Debt and Capital Leases Note No.).
- 6 9. Risk Management
- 7 (No SAMPLE TEXT is provided because the circumstances are unique in each case. See Notes to
- 8 Preparer.)

SAMPLE
TEXT
LINE NO.

NOTES TO PREPARER

- 3-4 If your investments are uninsured, unregistered and held by the counterpart's trust department or agency in your district's name, disclose the circumstances.
- 15 If your district has used, held, or sold any derivatives or similar instruments during the period covered by the financial statements, disclose the nature of transactions, reason for entering into transaction, and exposure to credit risk, market risk, and legal risk.
- Derivatives are generally defined as contracts whose value depends on, or *derives* from, the value of an underlying asset, reference date, or index. For more information see GASB Technical Bulletin *Disclosures about Derivatives and Similar Debt and Investment Transactions*.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 NOTE 2 - INVESTMENTS

2 1. Investments

3 The (district)'s investments are either insured, registered or held by the (district) or its agent in the
4 (district)'s name.

5 Investments by type at December 31, _____ are as follows:

6	<u>Type of Investment</u>	<u>Balance</u>
7	L.G.I.P.	\$ _____
8	U.S. Government Securities	_____
9	Other: _____	_____
10	_____	_____
11	_____	_____
12	_____	_____
13	_____	_____
14	Total	\$ <u> </u>

15 2. Derivatives And Similar Transactions

16 (No SAMPLE TEXT is provided because the circumstances will be unique in each case. See Notes to
17 Preparer.)

SAMPLE
TEXT
LINE NO.

NOTES TO PREPARER

If your district has any special levies, they should be disclosed separately.
For example:

Special levies approved by the voters are not subject to the
limitations listed above. In _____, the (district) levied an
additional \$_____ per \$1,000 for (give purpose) for a
total levy of \$_____.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 NOTE 3 - PROPERTY TAXES

2 The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

3 Property tax revenues are recognized when cash is received. Delinquent taxes are considered fully collectible
4 because a lien affixes to the property when taxes are levied.

5 The (distret)'s regular levy for _____ was \$_____ per \$1,000 on an assessed valuation of \$_____
6 for a total regular levy of \$_____.

8-13

If you have any capital leases payments, add additional column(s) to the amortization schedule and disclose lease payments as a separate category.

You may want to disclose the details of your district's compliance with some restrictions, such as the ratio of operating revenues to debt service requirements.

For each significant long-term debt, you should disclose the following:

- date of original issue,
- purpose of issue,
- amount of original issue,
- interest rate(s),
- amount(s) of installments,
- frequency of installments,
- source of repayment.

E.g.,	<u>General Obligation Bonds</u>	<u>Outstanding</u>
	1988 <u>Water Series</u> , \$2,500,000	
	8.4-9.9%, \$118,000 semiannually	
	to 2008	\$ 700,000
	<u>Revenue Bonds</u>	
	1989 <u>Water Filtration Series</u> ,	
	\$5,050,000, 8.9-10.1%, \$252,500	
	semiannually to 2009	\$2,350,000

*Use five-year increments thereafter.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 NOTE 4 - LONG-TERM DEBT AND CAPITAL LEASES

2 The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the (district) and
3 summarizes the (district)'s debt transactions for _____. The debt service requirements, including interest (and
4 capital lease payments) are as follows:

5		General			
6		Obligation	Revenue	Other	Total
7		<u>Bonds</u>	<u>Bonds</u>	<u>Debt</u>	<u>Debt</u>
8	20__	\$	\$	\$	\$
9	20__				
10	20__				
11	20__				
12	*20__ - 20__	_____	_____	_____	_____
13	TOTALS	\$_____	\$_____	\$_____	\$_____

14 As of December 31, _____, the (district) (and/or the trustee(s)) was (were) holding cash and investments of
15 \$_____ (and \$_____, respectively) which are expected to fully fund debt service.

SAMPLE
TEXT
LINE NO.

NOTES TO PREPARER

If there are numerous construction projects, this information should be presented in a schedule like the example below. If the information is not readily available, so state.

Construction in progress is composed of the following:

	<u>Project Author- ization</u>	<u>Expended to 12/31/- -</u>	<u>Committed</u>	<u>Required Future Financing</u>
Airport Expansion - Phase 1	\$1,400,000	\$1,094,000	\$ 306,000	None
Airport Expansion - Phase 2	600,000	None	600,000	\$600,000
Industrial Park Sewer Line	250,000	215,000	35,000	None
Improvement District No. 79	200,000	200,000	None	None
Improvement District No. 80	200,000	117,100	82,900	None
Various Projects Less Than \$100,000	<u>250,000</u>	<u>196,150</u>	<u>53,850</u>	<u>None</u>
Total Construction	\$2,900,000	\$1,822,250	\$1,077,750	\$600,000

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NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 NOTE 5 - CONSTRUCTION IN PROGRESS

2 Construction in progress represents expenses to date on projects for which authorizations total \$_____.
3 Of the committed balance of \$_____ the (district) will be required to raise \$_____ in future
4 financing.

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SAMPLE
TEXT
LINE NO.

NOTES TO PREPARER

If the district administers another pension system, include the following:

Local Government Pension System

The ____ (district) ____ is also the administrator of a retirement system called _____. As of ____ (date) ____, there were a total of ____ individuals covered by this system of which ____ were currently still employed and ____ were drawing benefits.

The most recent actuarial review of the system was done by ____ (name of firm) ____ to determine the funding requirements as of ____ (date of actuarial study) _____. As of this date, the market value of assets was \$_____ and the actuarial present value of future benefits was \$_____ leaving an unfunded pension benefit obligation of \$_____.

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1 NOTE 6 - PENSION PLANS

7 Historical trend or other information regarding each plan is presented in the Washington State Department of
8 Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

<u>EFF DATE</u>	<u>SUPERSEDES</u>
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TEXT
LINE NO.

NOTES TO PREPARER

2 Disclose any material legal or contractual violations and steps taken to resolve them.

If there are major lawsuits pending against your district or material disputed contracts, specific disclosure of the issues and the present status of each case (including the range of possible loss, if estimable) is required. For an outstanding amount of claims and judgments see the accompanying Schedule of Long-Term Debt (09).

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 NOTE 7 - CONTINGENCIES AND LITIGATIONS

(No SAMPLE TEXT is provided because the circumstances are different in each case. See Notes to Preparer.)

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Disclose any additional information that your district believes may be important to the user of its financial statements, for example:

- Corrections of material errors in previous years.
- Transactions with closely affiliated entity or district's own officials or employees.
- Extraordinary events - unusual and infrequent events which impact district's financial position.
- Subsequent events - e.g., issuance of new debt or other event(s) which may impact district and occurred after the date of financial statements.
- Participation in joint ventures.
- Material commitments, etc.

NOTES TO FINANCIAL STATEMENTS
SAMPLE TEXT

1 OTHER DISCLOSURES

(See Note to Preparer.)

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MATRIX OF REPORTING REQUIREMENTS: Schedules Required by SAO		
Schedule No.	Schedule	Port Districts
04	Detail Of Revenues And Other Resources	Prepare one schedule for the district
05	Detail Of Expenses And Other Uses	Prepare one schedule for the district
08	Real And Personal Property Taxes	Prepare one schedule for the district
09	Long-Term Debt	Prepare one schedule for each category of debt
16	Expenditures Of Federal Awards And State/Local Financial Assistance	Prepare two schedules: one for federal and one for state/local assistance
19	Labor Relations Consultant(s)	Prepare one schedule for each consultant

SCHEDULE 04 - DETAIL OF REVENUES AND OTHER SOURCES

The purpose of this schedule is to report the revenues for each port district so that the State Auditor's Office can collect information about the total amounts received by all districts. Specific account numbers are required, and titles must describe the revenue source clearly.

The level of detail should equal that shown in the BARS manual chart of accounts (Part 1, Chapter 5) to the third digit (BASUB level), except for the nonoperating revenues which should be shown to the fourth digit. A subtotal should be calculated after each operating function (second digit level). Please refer to the following example and blank form.

For electronic filing instructions see Part 4, Chapter 1. The schedule should include MCAG number (4 digits), BARS account numbers, and actual amounts received.

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DETAIL OF REVENUES AND OTHER SOURCES

For Year Ended December 31, 2003

BARS Revenue Account No.	Description	Actual Revenues
611.00/612.00	Airport User Charges	\$1,435,538
614.00	Airport Real Property Rentals -Land	13,318
619.00	Other Airport Revenues	3,488
610.00	Total Airport Revenues	\$1,452,344
621.00/622.00	Marina User Charges	120,064
623.00	Marina Operating Grants	101,409
620.00	Total Marina Revenue	\$221,473
699.20	Ad Valorem Taxes	50,745
600.00	TOTAL REVENUES	\$1,724,562

(PORT'S NAME)

For Year Ended December 31, _____

[illegible]

SCHEDULE 05 - DETAIL OF EXPENSES AND OTHER USES

The purpose of this schedule is to report the expenses for each port district so that the State Auditor's Office can collect information about the total amounts expended by all districts. Specific account numbers are required, and titles must describe the expense clearly.

The level of detail should equal that shown in the BARS manual chart of accounts (Part 1, Chapter 6) to the third digit (BASUB level), except for the nonoperating revenues which should be shown to the fifth digit. A subtotal should be calculated after each operating function (second digit level). Please refer to the following example and blank form.

For electronic filing instructions see Part 4, Chapter 1. The schedule should include MCAG number (4 digits), BARS account numbers, and actual amounts expended.

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For Year Ended December 31, 20__

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SCHEDULE 08 - REAL AND PERSONAL PROPERTY TAXES

This schedule is used to collect information about tax levies in all taxing districts in Washington State. The amounts reported by counties acting as collection agents are compared with the amounts reported by the recipient districts to verify the accuracy of reporting. It is also used to verify the amount of tax revenues reported on Schedule 04 (Detail of Revenues and Other Sources).

Districts should prepare this schedule from the monthly reports of county remittances. It is important to analyze the county reports for any netting, such as election costs. If the county has deducted any charges from its remittances, the district must show the expenses separately and record the tax revenue at its full amount.

County remittances that are in transit at the end of the year should be included on this schedule as *taxes collected* in the district reports.

This schedule may be submitted in any format as long as the required information is provided.

Column 1	Prior years' taxes outstanding as of January 1 of report year.
Column 2	Indicate whether regular (R) or special (S) levy. Also indicate tax rate expressed in dollars per thousand dollars of assessed valuation (\$/1000) at 100 percent of fair market value.
Column 3	Taxes levied for report year collection.
Column 4	Report year collections of current and prior year levies.
Column 5	Tax adjustments (supplementals) which increase outstanding taxes.
Column 6	Tax adjustments (cancellations) which decrease outstanding taxes.
Column 7	Total taxes outstanding as of December 31 of report year.

PORT OF SAMPLE
(PORT'S NAME)

SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES

For Year Ended December 31, 2003

1	2	3	4	5	6	7
TAXES OUTSTANDING 01/01/2003	TAX RATE \$/1,000	TAXES LEVIED REPORT YEAR	TAXES COLLECTED	TAX ADJUSTMENT INCREASES	TAX ADJUSTMENT DECREASES	TAXES OUTSTANDING 12/31/2003 (1+3-4+5-6)
\$42,565	0.3776	\$383,228	\$382,387	\$3,533	\$288	\$46,651
22,994	0.1490	132,091	136,199	1,288	128	20,046
\$65,559		\$515,319	\$518,586	\$4,821	\$416	\$66,697

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(PORT'S NAME)

SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES

For Year Ended December 31, ____

1	2	3	4	5	6	7
TAXES OUTSTANDING 01/01/____	TAX RATE \$/1,000	TAXES LEVIED REPORT YEAR	TAXES COLLECTED	TAX ADJUSTMENT INCREASES	TAX ADJUSTMENT DECREASES	TAXES OUTSTANDING 12/31/____ (1+3-4+5-6)

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SCHEDULE 09 - LONG-TERM DEBT

This schedule provides information about the **long-term debt** of the district. For Schedule 09, there are three categories of debt: general, revenue and refunded debt. A separate debt schedule should be prepared for each category of debt. The appropriate category should be indicated at the top of each page.

Any debt category may contain numerous kinds of debt instruments. For example, general debt is not limited to general obligation bonds but can also contain bond anticipation notes, claims and judgments, installment sales contracts, lease-purchase agreements, etc.

As a practical matter, it is permissible to classify capital leases, including lease-purchase agreements, in enterprise funds as *revenue debt* and to classify all other capital leases as general debt. The existence of a fiscal funding clause (which allows termination of a lease if revenue sources become inadequate) has no effect on the classification of a lease as general or revenue debt.

This schedule may be submitted in any format as long as the required information is provided.

IDENTIFYING NUMBER AND DESCRIPTION

The numbers and descriptions below must be used on Schedule 09. Typical debt instruments are listed within each category of debt.

NOTE: For Schedule 09, list all bonded debt at par. Include principal only on all debt. Do not include any interfund debt, liabilities for deferred compensation, employee leave benefits or any short-term debt (less than one year). Generally, construction contracts are not considered debt except to the extent the contractor has performed

I.D. No. **GENERAL DEBT** - Debt backed by the district's full taxing authority.

251.11	General Obligation Bonds for Capital Purposes - (No Vote Required)
251.12	General Obligation Bonds for Capital Purposes - (Vote Required)
251.15	General Obligation Bonds for Capital Purposes - Advance Refunding - Defeasance Method
251.16	General Obligation Bonds for Capital Purposes - Advance Refunding - Crossover Method
251.41	General Obligation Bonds for M and O Purposes - (No Vote Required)
251.42	General Obligation Bonds for M and O Purposes - (Vote Required)
251.45	General Obligation Bonds for M and O Purposes - Advance Refunding - Defeasance Method
251.46	General Obligation Bonds for M and O Purposes - Advance Refunding - Crossover Method
263.11	Claims and Judgments (Long-Term Only)
263.51	Installment Sales Contracts
263.53	Lease-Purchase Agreements
263.55	Other Capital Leases
263.61	Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
263.64	Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
263.66	Other Notes Payable for Capital Purposes
263.68	Other Notes Payable for M and O Purposes
263.81	Due to Other Governmental Units for Capital Purposes (Long-Term Only. An Example is the amount due to the state retirement system for pension systems prior to PERS and LEOFF)
263.84	Due to Other Governmental Units for M and O Purposes (Long-Term Only)
263.91	Miscellaneous Long-Term General Debt for Capital Purposes
263.94	Miscellaneous Long-Term General Debt for M and O Purposes

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I.D. No. **REVENUE DEBT** - Debt backed by specific revenue sources.

252.11	Revenue Bonds for Capital Purposes - (No Vote Required)
252.12	Revenue Bonds for Capital Purposes - (Vote Required)
252.15	Revenue Bonds for Capital Purposes - Advance Refunding - Defeasance Method
252.16	Revenue Bonds for Capital Purposes - Advance Refunding - Crossover Method
252.41	Revenue Bonds for M and O Purposes - (No Vote Required)
252.42	Revenue Bonds for M and O Purposes - (Vote Required)
252.45	Revenue Bonds for M and O Purposes - Advance Refunding - Defeasance Method
252.46	Revenue Bonds for M and O Purposes - Advance Refunding - Crossover Method
263.12	Claims and Judgments (Long-Term Only)
263.41	Revenue Warrants (Coupon warrants) for Capital Purposes
263.44	Revenue Warrants (Coupon warrants) for M and O Purposes
263.52	Installment Sales Contracts
263.54	Lease-Purchase Agreements
263.56	Other Capital Leases
263.62	Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
263.65	Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)
263.67	Other Notes Payable for Capital Purposes
263.69	Other Notes Payable for M and O Purposes
263.82	Due to Other Governmental Units for Capital Purposes (Long-Term Only)
263.85	Due to Other Governmental Units for M and O Purposes (Long-Term Only)
263.92	Miscellaneous Long-Term Revenue Debt for Capital Purposes
263.95	Miscellaneous Long-Term Revenue Debt for M and O Purposes

NOTE: M and O refers to Maintenance and Operation.

I.D. No. **REFUNDED DEBT**

251.90	General Obligation Bonds - Advance Refunded
252.90	Revenue Bond - Advance Refunded
253.90	Special Assessment Bonds - Advance Refunded

IDENTIFYING NUMBER - Include appropriate number (see listing on previous page).

PURPOSE - Describe the purpose(s) for which the debt proceeds were spent. If a refunding issue is partly refinancing and partly new financing, show both purposes. Refunded debt should continue to show the original purpose of the issue. If the purpose is not known, leave this column blank.

DATE OF ORIGINAL ISSUE / DATE OF MATURITY - These columns are self-explanatory.

(1) **BEGINNING OUTSTANDING DEBT** This column should include the amount of debt that was owed at the beginning of this period. The amount shown should equal to the last year ending balance. If there is a discrepancy, attach an explanation.

(2) **AMOUNT ISSUED - CURRENT PERIOD** In this column report the entire amount of any new debt or any additional debt issued (or borrowed) during the current period. For example, assume a G.O. bond authorized in the previous year at \$5,000,000, with \$4,000,000 issued that year and an additional \$500,000 issued in the report year. Under these circumstances, this column should show \$500,000.

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(3) AMOUNT REDEEMED THIS PERIOD In this column, report the amount of debt that was paid this period. Do not include interest paid on the redeemed debt. The total amount in this column should equal to long-term debt payments shown on the Schedule 05.

(4) ENDING OUTSTANDING DEBT In this column, report the amount of debt that is owed at the end of this period.

Ending outstanding debt, column (4), is calculated by adding the amounts in columns (1) and (2) and subtracting redeemed debt in column (3).

$$(1) + (2) - (3) = (4)$$

Total the last five columns for each debt type.

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Schedule 09

Page 1 of 2PORT OF SAMPLE
(PORT'S NAME)☒ G.O. Debt
☐ Revenue Debt
☐ Refunded Debt**SCHEDULE OF LONG-TERM DEBT****For The Year Ended December 31, 2003**

				(1)	(2)	(3)	(4)
I.D. NO.	PURPOSE	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	BEGINNING OUTSTANDING DEBT 01/01/2003 (ENDING OUTSTANDING DEBT BALANCE FROM PRIOR YEAR)	AMOUNT ISSUED IN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	ENDING OUTSTANDING DEBT 12/31/2003 (1) + (2) - (3)
251.16	Refunding 1993 G.O. Bonds	12/94	12/14	\$1,500,000	\$300,000	\$500,000	\$1,300,000
263.51	Equipment	6/95	6/00	\$55,000	—	\$20,000	\$35,000
	Total G.O. Debt			\$1,555,000	\$300,000	\$520,000	\$1,335,000

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☐ G.O. Debt
☒ Revenue Debt
☐ Refunded Debt

For The Year Ended December 31, 2003[illegible]

MCAG NO. _____

(PORT'S NAME)

____ G.O. Debt
____ Revenue Debt
____ Refunded Debt

SCHEDULE OF LONG-TERM DEBT

For Year Ended December 31, _____

				(1)	(2)	(3)	(4)
I.D. NO.	PURPOSE	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	BEGINNING OUTSTANDING DEBT 01/01/____ (ENDING OUTSTANDING DEBT BALANCE FROM PRIOR YEAR)	AMOUNT ISSUED IN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	ENDING OUTSTANDING DEBT 12/31/____ (1) + (2) - (3)

EFF DATE
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SCHEDULE 16 - EXPENDITURES OF FEDERAL AWARDS AND STATE/LOCAL FINANCIAL ASSISTANCE

The Schedule of Financial Assistance is an essential document for planning and conducting the audit of your organization. It also serves to provide assurance to those agencies who award financial assistance that their programs or grants were included in the audit. It is important to prepare this schedule carefully to ensure that it is accurate and complete. Any program or grant omitted from this schedule will be considered unaudited. This schedule should be prepared on the same basis of accounting as the financial statements.

Schedule 16 is comprised of two schedules: (1) Schedule of Expenditures of Federal Awards and (2) Schedule of State and Local Financial Assistance.

Schedule of State and Local Financial Assistance

List on this schedule grants received directly or indirectly from state agencies, grants from other local governments, and program income. State shared revenues, apportionments, entitlements, and loans do not need to be included on this schedule.

List separately awards received from state and local governments. Provide a subtotal for both categories and a total for the entire schedule. In addition, list all financial assistance received from the same state agency together.

Schedule of Expenditures of Federal Awards

Include on this schedule all expenditures of federal awards that were received directly from a federal agency and indirectly from a state agency or local government. This schedule should be prepared for the year in which federal awards are expended. Preparation of this schedule should not be based on the date(s) that funds are received (e.g., advances or reimbursement). "Federal awards expended" include the following:

- Expenditure transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations;
- Disbursement of funds passed through to subrecipients;
- Receipt of loan proceeds under loan and loan guarantee programs;
- Receipt of federal property and surplus property;
- Receipt or use of program income (see revolving loan exception below);
- Distribution or consumption of food commodities;
- Disbursement of amounts entitling a non-federal entity to an interest subsidy; and
- Insurance contracts in force during the period under audit.

List all awards from the same federal agency together on the schedule (for example, group all HUD awards together). Next, within each federal agency section, list all direct awards first followed by indirect awards.

Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number. Also provide subtotals for assistance received directly and assistance received indirectly. Provide a total for each federal agency.

It is important to note that the “expenditures” reported on the Schedule of Expenditures of Federal Awards will not necessarily tie to those reported on the operating statement, especially if the federal awards include loans, insurance, or commodities. However, all amounts reported should agree or reconcile to records maintained by finance, budget, and treasury departments.

Valuation of Federal Loans and Noncash Assistance

Use the following guidelines to calculate the value of “federal awards expended” under loan programs:

- (1) Amount of new loans received during the fiscal year, plus
- (2) Balance of loans from previous years for which the federal government imposes continuing compliance requirements, plus
- (3) Any interest subsidy, cash, or administrative cost allowance received.

NOTE: Loans, the proceeds of which were received and expended in prior years, are not considered Federal awards expended when the laws, regulations, and the provisions of contracts or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans

Noncash Assistance: Food Stamps, food commodities, donated property, and donated surplus property should be valued at fair market value at the time of receipt or the assessed value provided by the federal agency. The Notes to the Schedule of Expenditures of Federal Awards should disclose the nature of the amounts reported.

Revolving Loans: According to the federal regulations, repayments of principal and interest are considered program income (revenues) and loans of such funds to eligible recipients are considered expenditures. For purposes of Schedule 16, report only the amount of loan funds expended during the year.

Other preparation hints for both schedules

Often federal financial assistance received indirectly is a mix of federal and state or local money. If possible, identify the different sources and list them on appropriate schedules (i.e., the federal share on the *Schedule of Expenditures of Federal Awards* and the state or local portion on the *Schedule of State and Local Financial Assistance*. If the state or local portion cannot be identified, list the entire amount on the *Schedule of Expenditures of Federal Awards* and describe the commingled nature of the funds in the *notes to the Schedule of Expenditures of Federal Awards*.

The funds received as a *fee for services* should not be included on the Schedule 16.

Records must agree or reconcile to those in finance, budget and treasury departments.

Example- Schedule of Expenditures of Federal Awards

Column 1 Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between federal agencies and state agencies with similar names or initials. If you receive federal funds indirectly, identify the state pass-through agency. Identify noncash awards in this column also.

Column 2 List the applicable CFDA number for each program. This is a five digit (XX.XXX) identification number assigned by the federal government and published in the Catalog of Federal Domestic Assistance. This number must be provided for all federal awards received either directly from a federal agency or indirectly through a state agency or local government.

Every effort should be made to obtain CFDA numbers. If the number is not provided on the award agreement or contract, contact the granting agency and request the number.

If you are unable to obtain the CFDA number, write "unknown."

Column 3 Use this column to report contract or grant numbers assigned by federal or state agencies, in addition to the CFDA number. If a number is not available, write "N/A."

Column 4 Use this column to report current year expenditures (determined on the same basis of accounting as the financial statements). See requirements for valuing loans and noncash assistance above.

NOTES TO SCHEDULE 16

At minimum, the notes to Schedule 16 should disclose the basis of accounting and any other significant accounting policies used in preparing the schedule. Also provide any information that may be useful to the reader such as the nature of a revolving loan program or the method used to value commodities or other non-cash assistance.

OMB Circular A-133 has removed the requirement to identify major federal programs on the schedule of expenditures of federal awards. Instead, the auditor will identify major programs in his/her report.

MCAG NO. _____
(PORT'S NAME)

Schedule 16

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, _____

1	2	3	4
Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Other Identification Number	Current Year Expenses

The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.

Example - Schedule of State and Local Financial Assistance

- Column 1 Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between agencies with similar names or initials.
- Column 2 Use this column to report grant, contract or award numbers assigned by state or local agencies. If a number is not available, write "N/A."
- Column 3 Use this column to report current year expenses (determined on the same basis of accounting as the financial statements).

PORT OF SAMPLE, WASHINGTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(AND STATE/LOCAL FINANCIAL ASSISTANCE)

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the (district)'s financial statements. The (district) uses the (describe the basis of accounting used by the district).

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenses represent only (federal/state/local) grant portion of the program costs. Entire program costs, including the (district)'s portion, may be more than shown.

SCHEDULE 19 - LABOR RELATIONS CONSULTANT(S)

The 1993 Legislature has required the State Auditor's Office to collect information regarding the role labor relations consultants play in local governments. This reporting requirement is found in RCW 43.09.230, as amended by the 1993 Legislature. The statute provides that *the legislature finds and declares that the use of outside consultants is an increasing element in public sector labor relations. The public has a right to be kept informed about the role of outside consultants in public sector labor relations. The purpose of this act is to help ensure that public information is available.*

Labor relations is a broad spectrum of activities which concern the relationship of employees as a group with the local government as employer. It includes employee representation issues, negotiation of contracts, and preparation and conduct of interest arbitrations.

A *labor relations consultant* is someone who agrees to perform such services for compensation. For example, a labor relations consultant includes an attorney or other professional engaged by the local government to negotiate a collective bargaining agreement. It would not include a firm engaged to establish a personnel manual or to prescreen job applicants. The determining factor is the substance of services the consultant has been engaged to perform.

This schedule is used to identify expenses for labor relations consultants: disclosure should include identification of each consultant and the terms and conditions of each agreement.

The schedule is required to be filed with the State Auditor's Office whether or not your local government has labor relations consultants. Prepare a schedule for each consultant. Alternative formats are acceptable, including spreadsheets, as long as the required information is provided.

(PORT'S NAME)

SCHEDULE OF LABOR RELATIONS CONSULTANT(S)**For the Year Ended December 31, _____**

Has your government engaged labor relations consultants? ____ Yes ____ No

If yes, please provide the following information for each consultant(s):

Name of Firm
Name of Consultant
Business Address
Amount Paid to Consultant during Fiscal Year
Terms and Conditions, as Applicable, Including: Rates (e.g., hourly, etc.) ----- Maximum Compensation Allowed ----- Duration of Services ----- Services Provided ----- ----- -----

Certified Correct this _____ day of _____, 20____ to the best of my knowledge and belief:
Signature
Name
Title

GLOSSARY OF TERMS

ACCOUNT NUMBER. See CODING.

ACCOUNTING PERIOD. A period at the end of which and for which financial statements are prepared. See also FISCAL PERIOD.

ACCOUNTING SYSTEM. The total structure of records and procedures designed to discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, or organizational components. See INTERNAL CONTROL.

ACTIVITY. A specific and distinguishable line of work performed by one or more organizational units of a government for the purpose of accomplishing a function for which the government is responsible.

ADMINISTRATIVE CONTROL. See INTERNAL CONTROL.

ADVANCE REFUNDING BONDS. Bonds issued to refund an outstanding bond issue prior to the date on which the outstanding bonds become due or callable. Proceeds of the advance refunding bonds are deposited with a trustee, invested in U.S. Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date and to pay interest on the bonds being refunded or the advance refunding bonds.

ADVERSE OPINION. An opinion stating the auditor's view that financial statements do not present fairly financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

AMORTIZATION. (1) Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts. (2) Provision for the extinguishment of a debt by means of a debt service fund.

ANNUAL BUDGET. A budget applicable to a single fiscal year. See also BUDGET and OPERATING BUDGET.

ANNUITY. A series of equal money payments made at equal intervals during a designated period of time.

ANNUITY, AMOUNT OF. The total amount of money accumulated or paid during an annuity period. This total includes compound interest at a designated rate.

ANNUITY PERIOD. The designated length of time during which the amount of an annuity is accumulated or paid.

APPRAISE. To make an estimate of value, particularly of the value of property. If the property is valued for purposes of taxation, the less-inclusive term "assess" is substituted for this term.

ASSESS. To value property officially for the purpose of taxation.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT. (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

ASSESSMENT ROLL. In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation. The name and address of the last known owner are also usually shown. In the case of personal property, the assessment roll is the official list containing the name and address of the owner, a description of the personal property, and its assessed value.

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BARS GLOSSARY

ASSETS. Resources owned or held by a government which have monetary value.

AUDIT. An examination to determine the accuracy and validity of records and reports or the conformity of procedures with established policies. See INTERNAL AUDIT, INDEPENDENT AUDIT, FINANCIAL AND COMPLIANCE AUDIT, PROGRAM COMPLIANCE AUDIT, SINGLE AUDIT, PERFORMANCE AUDIT, PRE-AUDIT and POST-AUDIT.

AUDIT PROGRAM. A detailed outline of work to be done and procedures to be followed in any given audit.

AUDIT REPORT. The report by an auditor furnished at the conclusion of internal audits, independent audits, and investigations. As a rule, the report would include: (1) a statement of the scope of the audit; (2) explanatory comments or findings (if any) concerning exceptions by the auditor; (3) opinions; (4) financial statements and schedules; and (5) sometimes statistical tables, supplementary comments, and recommendations.

AUDITED VOUCHER. A voucher which has been examined and approved for payment.

AUDITOR'S OPINION. A statement signed by an auditor in which he/she states that he/she has examined the financial statements in accordance with generally accepted auditing standards (with exceptions, if any) and in which he/she expresses an opinion on the financial position and results of operations of some or all of the funds of the government as appropriate. See UNQUALIFIED OPINION, QUALIFIED OPINION, DISCLAIMER OF OPINION and ADVERSE OPINION.

AUTHORITY. A government or public agency created to perform a single function or a restricted group of related activities. Usually such units are financed from service charges, fees, and tolls, but in some instances they also have taxing powers. An authority may be completely independent of other governments or partially dependent upon other governments for its creation, its financing, or the exercise of certain powers.

BARS GLOSSARY

BETTERMENT. An addition made to, or change made in, a capital asset which is expected to prolong its life or to increase its efficiency over and above that arising from maintenance. The cost of a betterment is added to the book value of the asset. The term is sometimes applied to sidewalks, sewers, and highways, but it is preferable to designate these as IMPROVEMENTS. See also INFRASTRUCTURE.

BOND DISCOUNT. The excess of the face value of a bond over the price for which it is sold or acquired. The price does not include accrued interest at the date of sale or acquisition.

BOND ORDINANCE OR RESOLUTION. An ordinance or resolution authorizing a bond issue.

BOND PREMIUM. The excess of the price at which a bond is sold or acquired over its face value. The price does not include accrued interest at the date of sale or acquisition.

BONDED DEBT. That portion of indebtedness represented by outstanding bonds.

BONDS AUTHORIZED AND UNISSUED. Bonds which have been legally authorized but not issued and which can be issued and sold without further authorization. This term must not be confused with the term "legal debt margin," which represents the difference between the legal debt limit of a government and the debt outstanding against it.

BONDS ISSUED. Bonds sold.

BONDS PAYABLE. The face value of bonds issued and unpaid.

BOOKS OF ORIGINAL ENTRY. The record in which the various transactions are formally recorded for the first time, such as the cash journal, warrant register, or general journal. Where electronic bookkeeping methods are used, it may happen that one transaction is recorded simultaneously in several records, one of which may be regarded as the book of original entry.

BOOK VALUE. Value as shown by books of account. In the case of assets which are subject to reduction by valuation allowances such as depreciation, "book value" refers to cost or stated value less the appropriate allowance. Sometimes a distinction is made between "gross book value" and "net book value," the former designating value before deduction of related allowances and the latter after their deduction. In the absence of any modifier, however, the term "book value" means "net book value."

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. See ANNUAL BUDGET, CAPITAL BUDGET, CAPITAL PROGRAM.

BUDGET DOCUMENT. The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance or resolution and revenue and borrowing measures will be necessary to put the budget into effect.

BARS GLOSSARY

BUDGET MESSAGE. A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

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CALLABLE BOND. A type of bond which permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

CAPITAL ASSETS. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL BUDGET. A plan of proposed capital outlays and the means of financing them. See CAPITAL PROGRAM.

CAPITAL EXPENDITURES. See CAPITAL OUTLAYS.

CAPITAL GRANTS. External grants which are restricted by the grantor for the acquisition and/or construction of capital assets. Although the concept applies to all funds, the classification is used only in proprietary funds. See also OPERATING GRANTS.

CAPITAL IMPROVEMENT PROGRAM. See CAPITAL PROGRAM.

CAPITAL OUTLAYS. Expenditures which result in the acquisition of or addition to capital assets.

CAPITAL PROGRAM. A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL RESOURCES. Resources of a fixed or permanent character, such as land and buildings, which cannot ordinarily be used to meet current expenditures.

CASH. An account reflecting currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability must be indicated in the records and statements. It is not necessary, however, to have a separate bank account for each fund unless required by law.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH DISCOUNT. An allowance received or given if payment is completed within a stated period of time. This term is not to be confused with TRADE DISCOUNT.

CHECK. A bill of exchange drawn on a bank and payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his or her order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing characteristics of a voucher and a check; it shows the propriety of a payment and is an order to pay.

CLASSIFIED. This term means all proprietary operations which use double-entry full accrual accounting systems which measure revenue and expense, including depreciation. Examples of classified proprietary accounting systems are NARUC Water, MFOA Airports, SAO Ports, etc. See PROPRIETARY FUNDS.

CLEARING ACCOUNT. An account used to accumulate charges or credits that are to be allocated to other accounts later, or to accumulate a net difference for transfer to another account.

BARS GLOSSARY

CODING. A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information. The BARS numbers are an example of the coding of accounts. Other examples are the numbering of monthly recurring journal entries to indicate the month and the nature of the entry and the numbering of invoices or vouchers so that the number reveals the date of entry.

CONTINGENT LIABILITIES. Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. All contingent liabilities should be disclosed within the basic financial statements, including the notes thereto.

CORRECTION OF ERRORS. See REFUND.

COST RECORDS. All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of projects, jobs, production centers, processes, operations, products, or services, or the cost of any of the component parts thereof.

COUPON RATE. The interest rate specified on interest coupons attached to a bond, also called the nominal interest rate.

COVERAGE. The ratio of net revenue available for debt service to the average annual debt service requirements of an issue of revenue bonds. See NET REVENUES AVAILABLE FOR DEBT SERVICE.

CURRENT. A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods. It usually connotes items likely to be used up or converted into cash within one year.

CURRENT ASSETS. (1) In governmental funds, those assets which are available or can be made readily available to finance current operations or to pay current liabilities. (2) In proprietary funds, those assets which will be used up or converted into cash within the next operating cycle (e.g., one year). Some examples are cash, temporary investments, and taxes receivable which will be collected within the next operating cycle (e.g., one year).

CURRENT LIABILITIES. Liabilities which are payable within the next operating cycle (e.g., one year).

CURRENT RESOURCES. Resources which can be used to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and in the case of certain funds, bonds authorized and unissued.

CUSTOMER DEPOSITS. A liability account used in an enterprise fund to reflect deposits made by customers as a prerequisite to receiving services and/or goods provided by the fund.

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DATA PROCESSING. (1) The preparation and handling of information and data to obtain results such as classification, problem solution, summarization, and reports. (2) Preparation and handling of financial information wholly or partially by mechanical or electronic means.

DAY LABOR. Use of a government's own personnel to construct or maintain its capital assets. Also called "force account."

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, registered warrants, notes, contracts and accounts payable. See BONDED DEBT, NOTE PAYABLE, REGISTERED WARRANT, LONG-TERM DEBT, OBLIGATION BONDS, and REVENUE BONDS.

DEBT LIMIT. The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

DEFEASANCE. The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor. Also referred to as a legal defeasance. See IN-SUBSTANCE DEFEASANCE.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT SPECIAL ASSESSMENTS. Special assessments remaining unpaid on and after the date on which a penalty for nonpayment is attached.

DELINQUENT TAXES. Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, cancelled, paid, or converted into tax liens.

DEMURRAGE. A fee charged to the owner of cargo that remains in the terminal area beyond a stipulated period of time after off-loading from the vessel.

DEPARTMENT. See ORGANIZATION UNIT CLASSIFICATION.

DEPLETION. (1) The reduction in quantity of a natural resource (wasting asset), such as coal, standing timber, or a rock quarry. (2) The portion of the cost of a wasting asset which is charged as an expense during a particular period. See AMORTIZATION, DEPRECIATION and WASTING ASSETS.

DEPOSIT. (1) Money or securities placed with a bank or other institution or with a person such as the county treasurer either as a general deposit subject to withdrawal by check or as a special deposit made for some specified purpose. (2) Sums deposited by customers for electric meters, water meters, etc., and by contractors and others to accompany and guarantee their bids.

DEPOSITARY. A person/entity entrusted with the safekeeping and depositing of assets.

DEPOSITORY. A place where assets are deposited for safekeeping. (NOTE: The BARS manual makes the distinction between the terms depository and depository. However, the RCWs and certain publications use these terms interchangeably. Where we use depository, the RCWs use depository.)

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DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets. (2) The portion of the cost of a capital asset other than a wasting asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense. See DEPLETION and AMORTIZATION.

DIRECT CHARGES. See DIRECT EXPENSES.

DIRECT COSTS. See DIRECT EXPENSES.

DIRECT DEBT. The debt which a government has incurred in its own name or assumed through the annexation of territory or consolidation with another government. See OVERLAPPING DEBT.

DIRECT EXPENSES. Those expenses which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs (called "overhead") which must be prorated among several products, services, departments, operating units or activities. See OVERHEAD.

DISBURSEMENTS. Payments in cash.

DISCLAIMER OF OPINION. A report stating that the auditor does not express an opinion on the financial statements. The disclaimer of opinion is appropriate when the auditor has not performed an examination sufficient in scope to enable him/her to form an opinion on the financial statements. A disclaimer of opinion should not be expressed because the auditor believes, on the basis of the examination, that there are material departures from GAAP. In such circumstances, an adverse opinion would be appropriate. See ADVERSE OPINION, UNQUALIFIED OPINION and QUALIFIED OPINION.

DISCOUNTED PRESENT VALUE. See PRESENT VALUE.

DISTRAIN. To seize and hold (property) to compel reparation or payment of debts.

DOCKAGE. A fee charged against the vessel for the privilege of mooring at a dock.

DOUBLE ENTRY. A system of bookkeeping which requires an entry to the debit side of an account or accounts for the corresponding amount or amounts of the entry to the credit side of another account or accounts.

DRAYAGE. A fee charged by a trucking firm for transportation cargo on or off the terminal, or to or from a warehouse or land transport terminal.

BARS GLOSSARY

EARNINGS. See INCOME and REVENUES.

EFFECTIVE INTEREST RATE. The rate of earning on an investment based on the actual price paid in contrast with the nominal interest rate. See PRESENT VALUE.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external user for goods and services.

ENTITLEMENT. The amount of payment to which a state or local government is entitled as determined by the federal or state government pursuant to an allocation formula contained in applicable statutes.

ENTITY. The basic unit for accounting and/or financial reporting. The basic governmental legal entity for accounting is the individual fund.

EXAMINATION. See AUDIT.

EXPENDITURES. Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

EXPENSES. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures. See EXPENDITURES.

EXTERNAL AUDIT. See INDEPENDENT AUDIT and AUDIT.

BARS GLOSSARY

FACE VALUE. As applied to securities, this term designates the amount of liability stated in the security document.

FIDELITY BOND. Insurance against losses from theft, defalcation, and misappropriation of public monies by government officers and employees.

FINANCIAL AND COMPLIANCE AUDIT. An examination leading to the expression of an opinion on (1) the fairness of presentation of the audited entity's basic financial statements in conformity with GAAP and (2) the audited entity's compliance with the various finance-related legal and contractual provisions used to assure acceptable governmental organizational performance and effective management stewardship.

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FISCAL PERIOD. Any period at the end of which a government determines its financial position and results of its operations. See ACCOUNTING PERIOD.

FISCAL YEAR. A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations.

FIXTURES. Attachments to buildings which are not intended to be removed and which cannot be removed without damage to the buildings. Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of the building; all others are classified as equipment.

FLOW-THROUGH. See PASS-THROUGH RESOURCES, SUBRECIPIENT.

FORCE ACCOUNT. See DAY LABOR.

FRANCHISE. A special privilege granted by a government permitting a monopoly or the continuing use of public property, such as city streets.

FULL FAITH AND CREDIT. A pledge of the general taxing power of a government for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUNDED DEBT. Same as BONDED DEBT, which is the preferred term.

FUND TYPE. One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

BARS GLOSSARY

GAAP. See GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

GAAS. See GENERALLY ACCEPTED AUDITING STANDARDS.

GENERAL JOURNAL. A journal in which are entered all entries not recorded in special journals. See JOURNAL and SPECIAL JOURNAL.

GENERAL OBLIGATION BONDS. Bonds for the payment of which the full faith and credit of the issuing government are pledged, including tax revenue.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

GENERALLY ACCEPTED AUDITING STANDARDS (GAAS). Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (1) the American Institute of Certified Public Accountants (AICPA) and (2) the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions ("Yellow Book").

GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS). Standards established by the GAO in its publication *Standards for Audit of Governmental Organizations, Programs, Activities and Functions* ("Yellow Book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of field work and reporting for financial and performance audits. The GAGAS standards of field work and reporting for financial audits incorporate and build upon GAAS.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The authoritative accounting and financial reporting standard-setting body for government entities.

GRANTS. External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility. See also CAPITAL GRANTS, OPERATING GRANTS, and PASS-THROUGH RESOURCES.

GROUPED ASSETS. Very similar assets acquired at the same time that are treated as a single asset for depreciation purposes. Any gain or loss is deferred until the entire group has been retired.

GROSS BOOK VALUE. See BOOK VALUE.

GROSS REVENUE. See REVENUES.

BARS GLOSSARY

IMPREST CASH ACCOUNT. An account into which a fixed amount of money or cash equivalent is placed for the purpose of making change or minor disbursements. Advance travel and similar checking accounts and stamp funds are included in this category.

IMPROVEMENTS. An addition made to, or changed made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

IN-SUBSTANCE DEFEASANCE. An advance refunding in which the government is not legally released from being the primary obligor on the refunded bonds, but the possibility of the government having to make additional payments is considered remote. See ADVANCE REFUNDING BONDS.

INCOME. A term in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses. See OPERATING INCOME, INCOME BEFORE TRANSFERS, and NET INCOME.

INCOME BEFORE TRANSFERS. Proprietary fund operating income adjusted by nonoperating revenues and nonoperating expenses.

INDEPENDENT AUDIT. An audit performed by an independent auditor.

INDIRECT COSTS. See OVERHEAD.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

INTERIM FINANCIAL STATEMENT. A financial statement prepared before the end of the current fiscal year and covering only financial transactions during the current year to date.

INTERNAL AUDIT. An appraisal activity within an organization for the review of operations as a service to management. It is a managerial control which functions by measuring and evaluating the effectiveness of other controls.

INTERNAL CONTROL. Internal control comprises the plan of organization, and all of the coordinate methods and measures adopted within a government to accomplish its objectives.

Administrative control includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the government and is the starting point for establishing accounting control of transactions.

Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

- a. Transactions are executed in accordance with management's general or specific authorization.

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- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The foregoing definitions are not necessarily mutually exclusive because some of the procedures and records comprehended in accounting control may also be involved in administrative control.

INVENTORY. A detailed list showing quantities, descriptions, and values of property and, frequently, units of measure and unit prices.

INVESTMENTS. Assets held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include capital assets used in governmental operations.

BARS GLOSSARY

JOINT VENTURE. A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or, (b) an ongoing financial responsibility.

JOURNAL. A book of original entry. Journals provide a chronological history of financial transactions and systematic means by which the transactions can be distributed and summarized for convenient posting to ledger accounts. See GENERAL JOURNAL, SPECIAL JOURNAL, and REGISTER.

JOURNAL VOUCHER. A voucher provided for the recording of certain transactions or information in place of or supplementary to the journals or registers. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

JUDGMENT. An amount to be paid or collected by a government as the result of a court decision, including a condemnation award in payment for private property taken for public use.

BARS GLOSSARY

LEASEHOLD. The right to the use of real estate by virtue of a lease, usually for a specified term of years, for which consideration is paid.

LEASE-PURCHASE AGREEMENTS. Contractual agreements which are termed "leases," but which in substance amount to purchase contracts.

LEGAL DEBT LIMIT. See DEBT LIMIT.

LEVY. (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

LIABILITIES. Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

LIEN DATE. For property (ad valorem) taxes, the date when an enforceable legal claim to taxable property arises. Generally the lien date is specified in the relevant enabling legislation. Many governments use the term *lien date* even though a lien is not formally placed on the property at that date. Alternatively, the term *assessment date* is used to describe this same date.

LOCAL IMPROVEMENT. See SPECIAL ASSESSMENT.

LONG-TERM DEBT. Debt with a maturity of more than one year after the date of issuance.

BARS GLOSSARY

MAINTENANCE. Activities that ensure that the right-of-way and each type of roadway, roadway structure and facility remain, as nearly as practical, in its original, as constructed condition or its subsequent improved condition.

MITIGATION. In environmental management, avoiding, minimizing, rectifying, reducing, and compensating for project-induced resource losses.

MUNICIPAL BOND. A bond issued by a state or local government.

MUNICIPAL CORPORATION. A corporation established pursuant to state authorization for the purpose of providing governmental services and regulations for its inhabitants. A municipal corporation has defined boundaries and a population, and is usually organized with the consent of its residents. It usually has a seal and may sue and be sued. Cities and counties are examples of municipal corporations. See QUASI-MUNICIPAL CORPORATION and SPECIAL DISTRICT.

BARS GLOSSARY

NET BOOK VALUE. See BOOK VALUE.

NET INCOME. Proprietary fund excess of operating revenues, nonoperating revenues, and transfers-in over operating expenses, nonoperating expenses, and transfers-out.

NET PROFIT. See NET INCOME.

NET REVENUES. See NET INCOME.

NET REVENUES AVAILABLE FOR DEBT SERVICE. Proprietary fund gross operating revenues less operating and maintenance expenses but exclusive of depreciation and bond interest. "Net revenue available for debt service" as thus defined is used to compute "coverage" on revenue bond issues. See COVERAGE. Under the provisions of some revenue bond indentures, "net revenues available for debt service" for computation of revenue bond coverage must be computed on a cash basis rather than in conformity with GAAP.

NOMINAL INTEREST RATE. The contractual interest rate shown on the face and in the body of a bond and representing the amount of interest to be paid, in contrast to the effective interest rate.

NONOPERATING EXPENSES. Proprietary fund expenses which are not directly related to the fund's primary service activities.

NONOPERATING INCOME. See NONOPERATING REVENUES.

NONOPERATING PROPERTIES. Properties which are owned by an enterprise fund but which are not used in the provision of the fund's primary service activities.

NONOPERATING REVENUES. Proprietary fund revenues which are incidental to, or by-products of, the fund's primary service activities.

NOTE PAYABLE. In general, an unconditional written promise signed by the maker to pay a certain sum in money on demand or at a fixed or determinable time either to the bearer or to the order of a person designated therein. See TEMPORARY LOANS.

NOTE RECEIVABLE. An unconditional written promise, signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein. The note may be held by the reporting governmental unit as designated payee or by endorsement.

NOTES TO THE FINANCIAL STATEMENTS. The summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements of an entity which are not included on the face of the basic financial statements themselves. The notes to the financial statements are an integral part of the basic financial statements.

BARS GLOSSARY

OBLIGATIONS. Amounts which a government may be required legally to meet out of its resources. They include not only actual liabilities but also unliquidated encumbrances.

OBSOLESCENCE. The decrease in the value of capital assets resulting from economic, social, technological, or legal changes.

OPERATING ACTIVITIES. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financial, noncapital financing, or investing activities.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government. See BUDGET.

OPERATING CAPACITY. The maximum performance, production, or services possible under the limiting conditions of existing physical plant, labor force, method of production, etc.

OPERATING GRANTS. External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. Although the concept applies in all funds, the classification is used only in proprietary funds. See also CAPITAL GRANTS and PASS-THROUGH RESOURCES.

OPERATING INCOME. The excess of proprietary fund operating revenues over operating expenses.

OPERATING REVENUES AND EXPENSES. Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are advised to consider the definition of operating activities for cash flows reporting in establishing their own definition.

OPERATING SUBSIDY. See OPERATING GRANTS.

OPTIONAL BOND. See CALLABLE BOND.

ORGANIZATION UNIT CLASSIFICATION. Expenditure classification according to responsibility centers within a government's organization structure. Classification of expenditures by organization unit is essential to fixing stewardship responsibility for individual government resources.

OUTLAYS. Synonymous with EXPENDITURES. See CAPITAL OUTLAYS.

OVERHEAD. All costs other than direct costs. Specifically, those elements of cost necessary to produce an article or perform a service for which the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditure which do not become an integral part of the finished product or service such as rent, heat, light, supplies, management, supervision, etc.

OVERLAPPING DEBT. The proportionate share of the debts of other local governments located wholly or in part within the limits of the reporting government which must be borne by property within each government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessments receivable in each jurisdiction to total assessments receivable which will be used wholly or in part to pay off the debt. See DIRECT DEBT.

BARS GLOSSARY

PASS-THROUGH RESOURCES. Resources that are received by a recipient government to transfer to or spend on behalf of a secondary recipient, government or otherwise, in accordance with legal or contractual provisions.

PAY-AS-YOU-GO BASIS. A term used to describe the financial policy of a government which finances all of its capital outlays from current revenues rather than by borrowing. A government which pays for some improvements from current revenues and others by borrowing is said to be on a partial or modified pay-as-you-go basis.

PERFORMANCE AUDIT. Examinations intended to assess (1) the economy and efficiency of the audited entity's operations and (2) program effectiveness - the extent to which program objectives are being attained. Performance audits are sometimes also referred to as operational audits.

PERPETUAL INVENTORY. A system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical count. A record is provided for each item or group of items to be inventoried and is so divided as to provide a running record of goods ordered, received, and withdrawn, and the balance on hand, in units and frequently also in value.

PETTY CASH. A sum of money set aside on an imprest basis for the purpose of making change or paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. Petty cash accounts are sometimes referred to as petty cash "funds." However, they are not "funds" in the sense of governmental accounting's fund types. Petty cash accounts should be reported as assets of the fund of ownership. See IMPREST CASH ACCOUNT.

PETTY CASH VOUCHER. A voucher used to record individual disbursements of petty cash. See IMPREST CASH ACCOUNT.

POOLED ASSETS. Similar assets that are grouped together for the purpose of setting a rate to charge users of the assets.

POST-AUDIT. An examination of financial transactions that have been consummated or those in various stages of completion at the end of an accounting period. See PRE-AUDIT.

POSTING. The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

PRE-AUDIT. An examination of financial transactions prior to their completion.

PREPAID ITEMS. An asset account reflecting charges entered in the accounts for benefits not yet received. Prepaid items differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operations. Examples of prepaid items are prepaid rent, prepaid interest, and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold.

PRESENT VALUE. The sum of future payments or receipts discounted to the current date at an appropriate rate of interest. Usually the present value can be considered equivalent to the cash price that would be paid for an item on delivery or the principal or face amount of an investment or debt exclusive of interest. However, when an item is purchased on credit and no interest rate is stated, or when an investment is bought or sold at a premium or discount, or when a debt is incurred and the cash proceeds are not the same as the face amount of the debt, computation of present value may be required. The rules and procedures are available in any current intermediate accounting text.

PRESERVATION. Specialized maintenance activities that serve to extend the originally estimated life of each type of roadway structure and facility but do not increase its traffic flow capacity and efficiency.

BARS GLOSSARY

PRIVATE-PURPOSE TRUST FUNDS. A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

PROGRAM COMPLIANCE AUDIT. An examination leading to the expression of an opinion on the degree of the audited entity's compliance with requirements imposed by intergovernmental grantors and the audited entity's eligibility for grant monies.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PUBLIC AUTHORITY. See AUTHORITY.

PUBLIC CORPORATION. See MUNICIPAL CORPORATION and QUASI-MUNICIPAL CORPORATION.

PURCHASE ORDER. A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

PURCHASES METHOD. The method under which inventories are recorded as expenditures when acquired. At the end of the fiscal period, inventories on hand are recorded as a balance sheet asset.

BARS GLOSSARY

QUALIFIED OPINION. A modification of the independent auditor's report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor's general assertion that the financial statements are fairly presented.

QUASI-MUNICIPAL CORPORATION. An agency established by the state primarily for the purpose of helping the state to carry out its functions. Some agencies ordinarily classified as quasi-municipal corporations have been granted the powers of municipal corporations by the state. See MUNICIPAL CORPORATION and SPECIAL DISTRICT.

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RATE BASE. The value of utility property used in computing an authorized rate of return as authorized by law or a regulatory commission.

REBATES. See REFUND.

RECEIPTS. Cash received.

REFUND. (Noun) The recovery of an item previously expensed or the repayment of an item previously recorded as revenue. Such refunds should be included in revenues, expenditures, or expenses of the current accounting period. (Verb) To pay back or allow credit for an amount because of an over-collection or because of the return of an object sold. Such charges or credits should be made to the account where the original transaction was recorded. (Verb) To provide for the payment of an obligation through cash or credit secured by a new obligation.

REFUNDING BONDS. Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds. See ADVANCE REFUNDING BONDS.

REGISTER. A record for the consecutive entry of a certain class of events, documents, or transactions, with proper notation of all the required particulars. The form of registers varies from a one-column to a multi-columnar sheet of special design whereon the entries are distributed, summarized, and aggregated for convenient posting to the accounts. See JOURNAL.

REGISTERED WARRANT. A warrant which is registered by the paying officer for future payment due to a present lack of monies and which is to be paid in the order of its registration. In some cases, such warrants are registered when issued; in others, when first presented to the paying officer by the holders. See WARRANT.

REIMBURSEMENTS. Reimbursements are transactions that reduce expenditures or expenses in the fund that is reimbursed. These transactions include refunds of expenditures, internal prorations of costs, and payments received for others' share of pooled purchases.

Reimbursements do not include recoveries for damages, whether from insurance or from private sources, contractual payments from the state or from other local governments, or impact payments, or shared costs of providing services.

Examples of transactions that qualify as reimbursements include: The distribution of utility and telephone bills among the departments and funds of a government, after one department has paid the bill; similar allocations of insurance premiums and payrolls among various departments and funds; jury duty pay and disability pay returned to an employer; and rebates of part of an insurance premium.

REPORT OF EXAMINATION. See AUDIT REPORT.

REQUISITION. A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE. (1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and (2) an account used to segregate a portion of fund equity as legally set aside for a specific future use.

RESTRICTED ASSETS. Monies or other resources, the use of which is restricted by legal or contractual requirements. In governmental accounting, special treatments are applied to restricted assets arising out of revenue bond indentures in enterprise funds. These are sometimes also called restricted "funds" but such terminology is not preferred.

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REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund; i.e., port district. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES. Increases in proprietary fund type net total assets from other than expense refunds and capital contributions. Transfers-in are classified separately from revenues.

REVOLVING FUND. An imprest account which is accounted for as an asset of a fund.

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SCHEDULES. See SUPPORTING SCHEDULES.

SECURITIES. Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments. See INVESTMENTS.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets of fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SELF-SUPPORTING or LIQUIDATING DEBT. Debt obligations whose principal and interest are payable solely from the earnings of the enterprise for the construction or improvement of which they were originally issued. See REVENUE BONDS.

SERIAL BONDS. Bonds whose principal is repaid in periodic installments over the life of the issue.

SHARED REVENUES. Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

SHARED TAXES. See SHARED REVENUES.

SHORT-TERM DEBT. Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes contracts and accounts payable, bond anticipation notes, and interim warrants.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1984 (as amended) and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SOURCE. The origin of revenues, not necessarily the payor.

SPECIAL ASSESSMENT. A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL ASSESSMENT BONDS. Bonds payable from the proceeds of special assessments. These bonds are payable only from the collections of special assessments, and occur in Local Improvement Districts (LIDs) and Road Improvement Districts (RIDs).

SPECIAL ASSESSMENT LIENS RECEIVABLE. Claims which a government has upon properties until special assessments levied against them have been paid. The term normally applies to those delinquent special assessments for the collection of which legal action has been taken through the filing of claims.

SPECIAL ASSESSMENT ROLL. The official list showing the amount of special assessments levied against each property presumed to be benefited by an improvement or service.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, school districts, transit authorities, port authorities, and public utility districts.

BARS GLOSSARY

SPECIAL ITEMS. Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence.

SPECIAL JOURNAL. A journal containing all entries of a particular type. Examples include cash receipts journals, cash disbursement journals, purchases journals, etc. See JOURNAL and GENERAL JOURNAL.

STATE-COLLECTED LOCALLY SHARED TAX. See SHARED REVENUES.

STEVEDORING. The function of loading and unloading the ship, often done by stevedoring companies who then employ longshore labor for specific tasks.

STORES. Goods subject to requisition and use on hand in storerooms.

SUBRECIPIENT. An entity that is a secondary or ultimate recipient of federal (grantor) financial assistance. These federal funds are distributed, under contract, by a state or local government (grantee) to the secondary recipient and are used by it in order to carry out federal assistance programs. (These funds are not to be confused with pass-through resources received as an agency that are forwarded to a provider of services.) See PASS-THROUGH RESOURCES.

SUPPORTING SCHEDULES. Financial presentations that: (1) demonstrate compliance with finance-related legal and contractual provisions; (2) present information spread throughout the basic financial statements that can be brought together and shown in greater detail (e.g., schedule of taxes receivable); and (3) present greater detail for information reported in the basic financial statements (e.g., detail of revenues and expenditures by element and object).

BARS GLOSSARY

TARIFF RATES. In a port, a list or scale of prices and charges for various port services (for example, wharfage and dockage).

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

TEMPORARY LOANS. Short-term obligations representing amounts borrowed for short periods of time and usually evidenced by notes payable or warrants payable. They may be unsecured or secured by specific revenues to be collected.

TRADE DISCOUNT. An allowance, usually varying in percentage with the volume of transactions, made to those engaged in certain businesses and allowable without respect to the time when the account is paid. These discounts are commonly considered a reduction of the sales or purchase price and not earnings. The term is not to be confused with CASH DISCOUNT.

TRANSFER VOUCHER. A voucher authorizing transfers of cash or other resources between accounts.

BARS GLOSSARY

UNCLASSIFIED. Any operation which uses a modified accrual or cash (single-entry) basis of accounting and therefore does not record depreciation or other noncash expenses. Such operations should be accounted for in the general fund or in special revenue funds. See FUND TYPE.

UNIT COST. A term used in cost accounting to denote the cost of producing a unit of product or rendering a unit of service; for example, the cost of treating and purifying 1,000 gallons of sewage.

UNQUALIFIED OPINION. An auditor's opinion which states that the basic financial statements of a specified entity are fairly presented in conformity with GAAP applied on a basis consistent with the prior year.

UTILITY FUND. See ENTERPRISE FUND.

VOUCHER. A written document which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

VOUCHER SYSTEM. A system which calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book of original entry, known as a voucher register, in the order in which payment is approved.

VOUCHERS PAYABLE. Liabilities for goods and services evidenced by vouchers which have been preaudited and approved for payment but which have not been paid.

BARS GLOSSARY

WARRANT. An order drawn by the legislative body or an officer of a government upon its treasurer directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates the same as a bank check; or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely. See REGISTERED WARRANT.

WARRANTS PAYABLE. The amount of warrants outstanding and unpaid.

WASTING ASSETS. Mines, timberlands, quarries, oil fields, and similar assets which diminish in value by the removal of their contents.

WHARFAGE. A fee charged against the cargo for moving it across a wharf or terminal.

YIELD. See EFFECTIVE INTEREST RATE.

YELLOW BOOK. A non-technical term commonly used to describe the General Accounting Office's publication *Government Auditing Standards*.

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